ASIA'S 50 RICHEST FAMILIES

PRICE ₹190. DECEMBER 22, 2017

Forbes INDIA

WHY JOHN CHAMBERS IS MENTORING INDIAN STARTUPS

CASCADING IMPACT OF THE INSOLVENCY AMENDMENT ON SMALL ENTERPRISES

MEET KEVIN CZINGER, THE ENTREPRENEUR WHO'S SHRINKING THE AUTO FACTORY



MANU JAIN
India head & global VP
XIAOMI

INSIDE
2017 HOLIDAY *Gift* GUIDE

FINE BY Mi

HOW XIAOMI BROKE OUT OF THE PACK TO CHALLENGE SAMSUNG FOR THE NO 1 SPOT IN THE INDIAN SMARTPHONE MARKET

Network 18 www.forbesindia.com

Welcome to the Forbes INDIA Tablet Edition

In just three years, Xiaomi has emerged as a strong contender for the top spot in India

The Smart Challenger

It's quite the story in the Indian mobile phones sector. Little known till the other day, Chinese smartphone maker Xiaomi has, today, emerged as a name to reckon with in India's smartphone market, second only to established Korean megacorp Samsung. Despite initial hiccups and stiff competition from fellow Chinese brands, Xiaomi has managed to nudge aside rivals to become the second largest smartphone company by market share in India in the first half of 2017, clocking a 15.7 percent share of the market against Samsung's 25.8 percent. At number three and four positions are Chinese competitors Vivo and Oppo, with Lenovo at number five.

Xiaomi's story is of a brand which achieved success by being quick on its feet, smart on pricing and changing its game plan in accordance with conditions in the Indian market.

For a company which used the online channel extremely successfully, Xiaomi realised that, despite its strength as an online retailer, the potent Indian market—the second biggest for it after China—could be best cracked by undertaking a smart offline strategy, opening stores which give customers the Xiaomi experience. Despite India being the second largest smartphone market in the world after China, the gap between the two is still huge (China's 710 million users to India's 300 million), providing Xiaomi with a huge opportunity for growth as the home market gets increasingly saturated. As 36-year-old Manu Jain, Xiaomi vice president and India boss, tells *Forbes Asia*'s Anuradha Raghunathan in our cover story, Xiaomi was able to bring in high-quality, high-end products and make them affordable.

Jain, who co-founded online retailer Jabong before joining the Lei Jun-founded Xiaomi, also tells *Forbes India*'s Harichandan Arakali in a separate interview: "We're able to bring down costs drastically without compromising on quality. We have just-in-time-manufacturing, whatever we produce every week we sell every week... we have the leanest distribution structure in the country."

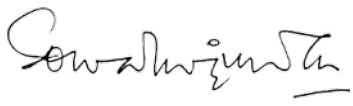
However, with the Indian smartphone battleground getting more intense by the day (Chinese vendors together command 54 percent of the Indian market), Jain will need to marshal all the resources at his command to ensure his strategy for Xiaomi continues to pay off in the future. And so far, the going has been good.

Elsewhere in this issue, we bring you the *Forbes* listing of Asia's Richest Families, the lineup of the 50 wealthiest dynasties in the region. This year, the Ambani family from India takes the number one slot, gaining a staggering $19 billion in net worth to total $44.8 billion, toppling the Lees of the Samsung empire. India also has the largest number of families on the list with 18, followed by Hong Kong with nine.

A personal note: I move on from *Forbes India* after a most exciting and eventful four years. During this period, we, at the magazine, have had a ringside view of an unprecedented unleashing of Indian entrepreneurial energy and drive. As a journalist, this has been a privilege.



Best,



SOURAV MAJUMDAR
Editor, *Forbes India*

sourav.majumdar@nw18.com
@TheSouravM

Contents

DECEMBER 22, 2017 •
VOLUME 9 ISSUE 27

Forbes INDIA

ON THE COVER

28 | IN-STORE AND IN INDIA
Despite its etailing proficiency, Chinese smartphone maker Xiaomi is betting on physical stores to push the brand. India, and its country head Manu Jain, are at the forefront of that effort

32 | 'IN INDIA, WE'VE GONE VERY DEEP, INSTEAD OF WIDE'
Affordability, investments and innovation are the key pillars on which Xiaomi India MD Manu Jain is building his India strategy



Manu Jain says even when Xiaomi went offline, it did it differently. Now, it also has an active fan base and community

WE VALUE YOUR FEEDBACK.
Write to us at: forbes.india@nw18.com | Letters may be edited for brevity.
Read us online at *www.forbesindia.com*
On the cover & this page: Nishant Ratnakar for Forbes India
Digital Imaging by: Sushil Mhatre

EMPOWERING INNOVATION. TRANSFORMING BUSINESS.

Technology plays an important role in enabling the growth India needs. The exponential increase in technological capability – from AI, IoT, Blockchain – with Data at the core, is compelling businesses to ideate on new strategies and stay connected in a fiercely competitive globalized world. Forbes India presents #ideas2act – The Digital Edge Series, in partnership with IBM, which aims at exploring evolving frameworks that can transform ideas into meaningful action.

Forbes INDIA

#ideas2act

THE DIGITAL EDGE SERIES

In Partnership with

IBM

INTERVIEW

18 | 'INDIA IS A FERTILE ENVIRONMENT FOR IMPACT INVESTING'
Impact doesn't mean compromise on returns, says Bill McGlashan, founder of The Rise Fund

COLUMN

22 | DAVOS: AN EXERCISE IN FUTILITY
The annual economic summit has now been relegated to a talking shop with attendees estranged from real life

FEATURES

INTERVIEW

24 | 'THERE'S HARMONY BETWEEN NESTLÉ'S PURPOSE AND INDIA'S GOALS'
Chairman Paul Bulcke feels the company is under-represented in the country and the Maggi imbroglio won't halt its charge

CROSS BORDER

36 | DELIVERING THE GOODS
When his top rival bought his largest customer, Instacart's Apoorva Mehta cheered. It turns out he wasn't crazy

68 | ONE PATIENT AT A TIME
Companies targeting rare genetic mutations that cause cancer and other diseases are striking gold in the stock market too

68 | THE SWEET SPOT
Despite little name recognition, San Francisco chocolate maker Guittard has managed to survive competition from both the Davids and the Goliaths

70 | SPACE RACE
US-based Prologis, the world's largest owner of industrial real estate, is looking to cash in on ecommerce's need for warehouses

72 | HONEY, I SHRUNK THE FACTORY
With his miniature auto plant, Kevin Czinger is on a path completely opposite to Tesla's Elon Musk's. And it's every bit as radical

ASIA'S RICHEST FAMILIES

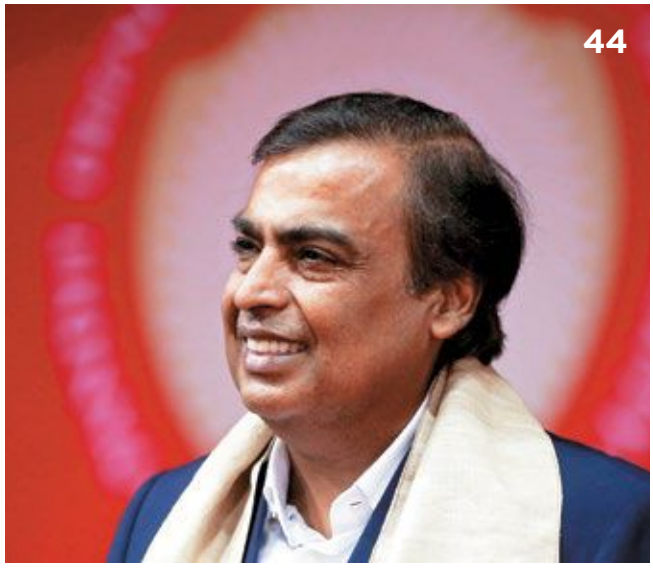
44 | STRENGTH TO STRENGTH
Business scions chart their new course, with or without families; India has biggest presence on the list



Paul Bulcke is glad that Nestlé could regain the trust of its customers



Instacart's Apoorva Mehta had forseen the Amazon assault



Mukesh Ambani's net worth rose by $19 billion to $44.8 billion

24: AMIT VERMA; 44: AMIT DAVE / REUTERS



Agent Provocateur's larger message is of a call to revolution



ENTERPRISE

60 | STOKING THE RETAIL SURGE
Kanwaljit Singh's new fund, Fireside Ventures, is bullish on India's glut of offline and online retail

64 | CLICKSTREAMS FOR THE OFFLINE WORLD
Capillary Technologies's multi-billion dollar cloud software business is helping brick-and-mortar retailers understand customers just like online

RECLINER

RECLINER 1

76 | THE DRAMA OF DISCONTENT
The creative expressions of protest theatre have taken on many forms, but remain true to raising a voice

RECLINER 2

82 | IT'S THAT TIME OF YEAR
How to feel posh and loved as the year draws to a close

APPRAISAL

87 | MOTORCYCLE: TRIUMPH STREET SCRAMBLER
The bike that blends retro-cool with modern while being fun to ride



Kanwaljit Singh of Fireside Ventures shows no signs of slowing down



Aneesh Reddy, CEO and co-founder of Capillary Technologies

REGULARS | 9 LETTERS | 10 LEADERBOARD | 88 THOUGHTS |

Subscriber Service: To subscribe, change address or enquire about other customer services, please contact: FORBES INDIA, Subscription Cell, C/o Digital 18 Media Ltd, Empire Complex, 414, Senapati Bapat Marg, Lower Parel, Mumbai - 400013. Tel: 022 4001 9816 / 9782. Fax- 022-24910804 (Mon – Friday: 10 am - 6 pm)
SMS FORBES to 51818 Email: subscribe@forbesindiamagazine.com, To subscribe, visit www.forbesindia.com/subscription/
To advertise, visit www.forbesindia.com/advertise/

60. NISHANT RATNAKAR FOR FORBES INDIA; 64. P ANIL KUMAR FOR FORBES INDIA

Forbes INDIA

CEO-News & Group Editor-in-Chief:
Rahul Joshi

Editor, Forbes India:
Sourav Majumdar

Executive Editor:
Abhilasha Khaitan

Design Director: Anjan Das

Senior Associate Editor:
Pravin Palande
Editor (Technology):
Harichandan Arakali
Associate Editors:
Monica Bathija, Aveek Datta, Samar Srivastava, Salil Panchal, Anshul Dhamija
Principal Correspondent:
Sayan Chakraborty
Senior Correspondent:
Varsha Meghani

Head of Desk: Kunal Purandare
Deputy Heads of Desk:
Jasodhara Banerjee, Kathakali Chanda, Pramod Mathew

Editor (Online) & Head-Events:
Neeraj Gangal
Senior Copy Editor: Ruchika Shah
Content Manager: Bhagwan Patil
Web Programmer: Aditi Satam

Senior Art Director:
Benu Joshi Routh
Graphics Director: Sameer Pawar
Assistant Art Director:
Sachin Dagwale
Senior Principal Designer:
Pradeep Belhe
Principal Designer:
Pandharinath Pawar
Chief Illustrator:
Chaitanya Dinesh Surpur
Chief Production Manager-Digital Imaging & Print: Sushil Mhatre
Production Manager: Mithun Anare

Chief Photo Editor: Vikas Khot
Photo Editor: Mexy Xavier
Chief Photographer: Amit Verma
Consulting Editor (Photo):
Madhu Kapparath
Head-Photo Archives and Research:
Prakash Rasal

Network 18

CEO–Forbes India & President-Revenue, Network18:
Joy Chakraborthy

FORBES INDIA SALES TEAM
Vice President: Preeti Sahni

Girish Sharma, Brijesh Singh, Atishay Singh, Kanwaldeep Singh, Divya Bhatia, Mona Parate, Dilshad Ahmed Khan, Janki Modi, Daksha Solanky, Mitu Midha, Karina Mehta, Riti Menghani, S Salim Baig, Kaushik Paradkar, Anil Bhatia, Abhishek Shah, Vaibhav Kumar

MARKETING
Vice President:
Priyanka Tiku

Deputy General Manager:
Neha Chimbulkar

Juhi Batra, Jitendra Gujar

SUBSCRIPTION & CIRCULATION
General Manager:
Subhadra Bose

Kaushal Pillai, Vinod Parab

ADVERTISING OPERATIONS
Senior VP & Head–Business Planning & Strategy:
Chaitali Karia

Smita Suvarna, Krishna Gupta, Prashant Rane

Compliance
Ratnesh Rukhariyar

Legal and Corporate Affairs
Nitesh Shrivastava

Finance
Pinaki Saha

FORBES MEDIA LLC
Chairman & Editor-in-Chief:
Steve Forbes
Executive Chairman & CEO:
Mike Perlis
CEO / Asia: William Adamopoulos
Editor, Forbes Asia: Tim Ferguson

Views & opinions expressed in this magazine are not necessarily those of Digital18 Media Limited (Digital18), its publisher and/or editors. We (at Digital 18) do our best to verify the information published, but do not take any responsibility for the absolute accuracy of the information. Digital18 does not accept responsibility for any investment or other decision taken by readers on the basis of information provided herein.

FORBES INDIA is published by Digital18 Media Limited under a license agreement with Forbes LLC, 499 Washington Blvd., Jersey City, NJ 07310.

"FORBES" is a trademark used under license from FORBES LLC.
©2009 Digital18 Media Ltd • ©2009 FORBES LLC, as to material published in the U.S. Edition of FORBES. All Rights Reserved.
©2009 FORBES LLC, as to material published in the edition of FORBES ASIA. All Rights Reserved.

Forbes India is published fortnightly.

Copying for other than personal use or internal reference or of articles or columns not owned by FORBES INDIA without written permission of Forbes India is expressly prohibited.

Editorial Office: Mumbai - Digital 18 Media Ltd, Ground Floor, Empire Complex, 414, Senapati Bapat Marg, Lower Parel, Mumbai 400013. Tel:+91-22-66667777, Fax: +91-22-24910804.
Delhi - FC-7, Sector 16A, Film City, Noida, Uttar Pradesh- 201 301. Tel: +91-120-469 1418.
Bangalore - Millennia Tower, Tower C, 6th Floor, No.1&2, Murphy Road, Ulsoor, Bangalore- 560 008. Tel: +91-80-4064 9191
Subscriber Service: To subscribe, change address or enquire about other customer services, please contact: FORBES INDIA, Subscription Cell, Digital 18 Media Ltd, Ground Floor, Empire Complex, 414, Senapati Bapat Marg, Lower Parel, Mumbai 400013.
Tel: 022 4001 9816 / 9783.
Fax- 022-24910804 (Mon –Friday: 10 am - 6 pm) SMS FORBES to 51818
Email: subscribe@forbesindiamagazine.com,
To subscribe or advertise, visit www.forbesindia.com
Forbes India is printed & published by Sourav Majumdar on behalf of Digital18 Media Limited & Printed at Kala Jyothi Process Pvt. Ltd., Plot No. W-17 & W-18, MIDC Industrial Area, Taloja - 410 208 & Published at Empire Complex, 1ST Floor, 414, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.

Editor: Sourav Majumdar



Readers Say

WORTH A STORY

Refer to *'Celebrating Leadership' (Issue dated November 24, 2017)*. I went through the entire edition, including the section on the Forbes India Leadership Awards, and found it surprising that yoga guru Baba Ramdev is not among the winners. He is openly sharing his dream about building the world's largest FMCG company in the next few years. The story of his entrepreneurial success thus far is unmatched. That must find a place in your esteemed magazine.
Manoj Yadav, via email

LEADERSHIP LESSONS

Refer to *'Zoho's Small-Town Coders' (Issue dated November 24, 2017)*. I have seen a few speeches of Zoho Corp founder and CEO Sridhar Vembu on YouTube and found them insightful and delightful. It was an interesting and a knowledge-gaining experience for me.
MM Ganesh, on the web

EATING RIGHT

Refer to *'Why junk food is so tempting?' (Issue dated December 8, 2017)*. To remain in the best of health, one must eat fresh food, not stuff kept in the fridge for a day or more. Avoid spicy and oily food. Do not eat food carried in plastic or polythene bags/packets. Eat a little less than required during meals. Instead, consume more fruits and drink juices on a daily basis. Live healthy by eating less but qualitative food.
Mahesh Kapasi, via email

twitter.com/Forbes_India
facebook.com/ForbesIndia
linkedin.com/company/forbes-india
www.google.com/+ForbesIndia

Forbes INDIA
www.forbesindia.com

Podcast



XIAOMI'S INDIA PLAY
By Harichandan Arakali
Click Here

Magazine | ForbesLife India | Thought Leadership | Web Special | Lists | Blogs | Multimedia

MUST-READ BLOGS

Follow us on



DISRUPTIONS IN THE GLOBAL AUTOMOTIVE INDUSTRY: SOLUTIONS FROM INDIA?
India's challenges require scale to be a part of the solution, so logically, any product designed for India's scale would be in a better position to be adopted by the rest of the world, than the other way around.



SMART DRUGS FROM SMART DATA
Companies hope to manage spiralling drug development costs and long development cycles with the smart use of data



SHARING ECONOMY: IS THIS THE END OF HYPER-CONSUMPTION?
From Uber to Airbnb and Facebook to YouTube and Linux, the sharing economy is here to stay. Can it shake up the ecosystem enough to create a new normal?



HOW MUCH CAN YOU TRUST THE FOOD YOU EAT?
Some of the most popular brands in India and globally have had their share of turbulence in the past. Companies have lost trust, money and reputation, and customers have lost faith



APERTURE

Heartfelt Apology

Canadian Prime Minister Justin Trudeau broke down in the House of Commons on November 28 while apologising for a decades-long campaign by previous governments to rid the military and public service of homosexuals, calling the dark chapter in the country's history a "collective shame". "We were wrong. We apologise. I am sorry. We are sorry," he said

CHRIS WATTIE / REUTERS

$10 bln
The projected demand for speech technologies and related virtual assistance products and services by 2021



PLAYING MENTOR

‘Startups at the Heart of India’s Transition’

*Cisco Executive Chairman **John Chambers** makes first major investment in Indian startup, keen to coach others to scale up and create an impact on job-creation*



John T Chambers has picked up a stake in Chennai’s Uniphore Software Systems

INDIA’S REVVING startup ecosystem has found a backer in John T Chambers, the executive chairman of America’s Cisco Systems, who, in November, picked up a little over 10 percent equity stake in Chennai’s Uniphore Software Systems, a speech recognition technology specialist. This is his first major investment in a startup in India.

For some time, Chambers has been ramping up his involvement with startups in Silicon Valley; now he’s keen on bringing his entrepreneurial savvy to India. His intent is evident from the designation—Pramukh Guru—printed on his Uniphore visiting card.

“Uniphore is my first one, and I’ll be coaching a number of startups in India,” Chambers tells *Forbes India* over the phone. “India’s changing, you’re catching the market in a transition, startups are at the heart of this.”

“Startups are where job creation happens... I want to be involved, as I move out of the Cisco role,” the 68-year-old adds. “Hopefully I’ll be able to pick up a couple more startups, give the government some feedback on how to scale, what needs to be done differently.”

Chambers sees his involvement going beyond mere access to money; it will be to help startups successfully manage the rapid growth they will need to become large global businesses. And if the experiment succeeds, it could serve as a role model for other executives and investors to step in and mentor many more Indian startups, he says.

However, in order for startups to make a real impact on GDP growth, they have to grow at a faster clip, says Chambers. He quoted the India Employment Report 2016 to emphasise that the country’s ‘demographic dividend’ is predicated on creating and sustaining at least 16 million jobs a year, so that the young, who are migrating to the cities in the millions, can be gainfully employed. Indian startups should play a much bigger role in generating a significant portion of these jobs, he adds. (The report has been authored by Ajit K Ghose, an academic at the Institute for Human Development in New Delhi, who is helping the central government hammer out a plan to generate the massive number of jobs needed in India.)

“The business-to-consumer startups are doing okay, they can do better, but the business-to-business startups aren’t scaling quick enough,” he says, referring to how India’s software products startups show promise, including in the US market, but none has grown to become a real phenomenon.

Indian software products companies making pay-as-you-go cloud-based software for large businesses around the world could see their value rise to $50 billion by 2025 from $3 billion, Google and venture capital firm Accel estimated in March 2016, in a report they released on the global opportunity for Indian SaaS startups.

—HARICHANDAN ARAKALI

For More Log On: www.smyfriends.com

12%-plus

Banking industry's stressed loans were over 12% of their total assets in December 2016—up from 9.8% in March 2014



NEW RULES OF DEFAULT

Chain Reaction

Insolvency and Bankruptcy Code ordinance may be yet another shock for small enterprises

What the section says

A recent amendment (Sec 29A) to the Insolvency and Bankruptcy Code bars:
1) Wilful defaulters.
2) Those who have their accounts classified as non-performing assets for a year or more and are unable to settle their overdue amounts.
3) Those who have executed an enforceable guarantee in favour of a creditor on behalf of a defaulter.
4) Connected persons.

What does this mean for a promoter?

Promoters will not be able to bid for their assets until they clear their dues. In the past, they were able to negotiate with banks and were still able to retain management control even if their stake fell below 50 percent. Guarantees on their personal assets were rarely invoked.

Is this a good step?

Yes, because promoters now need to be careful before taking excessive leverage and they are liable to be treated as any ordinary loan defaulter.

No, because this can also be seen as a code that allows the government to score political brownie points. The government leaves little room for promotors to be able to bid for their assets.

Moreover, all defaulters have been clubbed into the same bracket—the issues faced by a small supplier who hasn't paid a ₹10 crore loan are different from those of a large steel plant with a ₹25,000 crore outstanding debt.

Problematic insolvency process:

An interim resolution professional is appointed for Company A, which runs a large business with thousands of suppliers. Almost immediately, the company, as per the debt restructuring, stops paying suppliers and moves on to a cash and carry mode. Sales are made in cash, which is also problematic as customers of the products of the defaulting company mostly demand a credit period.

Once the bids are received and the company sold to the highest bidder, it is highly likely that the bidder will be unwilling to pay suppliers and will start business without clearing the supplier dues (similar to what happens in the US once a company files for Chapter 11 bankruptcy). Besides, the new owners could be hedge funds or competitors who may not have an emotional attachment to the asset and the employees.



For the suppliers, this will have a cascading impact as hundreds of them will receive no payment and will likely have to shut shop.

What next?

According to reports, promoters of the first list of 12 large companies are preparing a legal plan to oppose the ordinance.

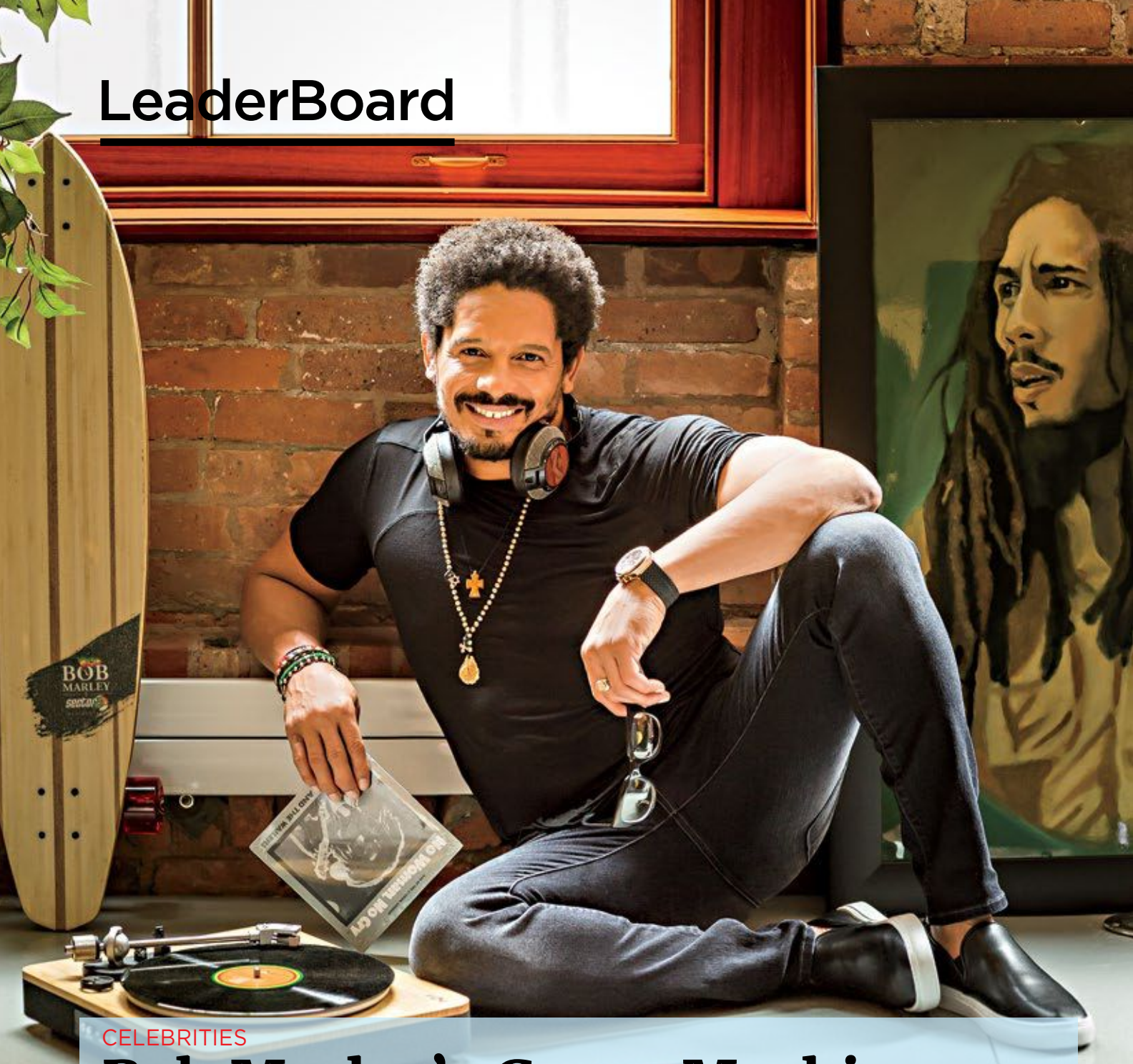
A senior manager at a leading corporate house says such a code would affect the GDP growth. "If we go by the track record —demonetisation, GST and now the code—it looks like the small enterprise owner is in for another shock and this will inevitably lead to more job losses."

—PRAVIN PALANDE & SAMAR SRIVASTAVA

"These amendments will save the government the blushes... those people who've caused insolvency or losses to the banking system cannot be a beneficiary of the very asset that they have rendered non-performing at a reduced cost."

— **Shardul Shroff**, executive chairman, Shardul Amarchand Mangaldas & Co

SAMEER PAWAR; TOP: ADNAN ABIDI / REUTERS



CELEBRITIES

Bob Marley's Green Machine

Good vibes have never been more lucrative

THE ITEMS ON THE KING-BED-SIZE COFFEE TABLE IN ROHAN MARLEY'S LIVING room in Manhattan's Tribeca neighbourhood tell quite a story. There's a marijuana grinder, a Bentley key and a $230 turntable made from bamboo and recycled waste—one of the latest offerings from the Earth-friendly audio outfit House of Marley.

"We believe in two things: Spiritual balance and material balance," says Rohan, one of Bob Marley's sons. The burly former Canadian Football League player now serves as the brand officer of his famous dad's estate. "My father said that if you go to the well over and over again, the bottom will drop out. You have to start digging wells, man." To that end, House of Marley sells its products in more than 48 countries. Two of its biggest hits: Get Together portable speakers (which logged $6 million in sales last year) and Smile Jamaica earphones ($8.1 million).

ROHAN MARLEY WEARS A COTTON T-SHIRT BY RICK OWENS DRKSHDW ($356), JEANS BY PT PANTALONI TORINO ($375), LEATHER SNEAKERS BY HOUSE OF FUTURE ($110). BEADED NECKLACE AND BRACELETS BY M COHEN DESIGNS (PRICE UPON REQUEST). BLUE BRACELET BY PROTECTING AFRICAN LIONS (PRICE UPON REQUEST). EYEWEAR BY RAY-BAN. GOLD BIG BANG CHRONOGRAPH BY HUBLOT ($33,600).

PHOTOGRAPHER: FRANCO VOGT
CREATIVE STYLE DIRECTOR: JOSEPH DEACETIS
STYLE ASSISTANTS: PARIS TORIBIO, ANDRES CHEVALOT HOHEB
GROOMING: SEGAL YEHUDAI

LeaderBoard

CELEBRITIES

Rohan is one of a dozen or so heirs stirring up the Marley empire. (Bob's three oldest children—Cedella, Stephen and Ziggy— also manage parts of the Marley empire; the rest sit on a board and share evenly in proceeds.) They run a posthumous powerhouse that tallied $23 million in earnings over the past year, fifth on our list of top-earning dead celebrities.

It's a vast improvement over the past. After the singer's death in 1981, the estate became mired in a years-long battle for control, with his widow, his producer and the Jamaican government, that was resolved in 1991. The financial situation had improved somewhat by 2007, but even then the Marleys were relying on a hodgepodge of middling licensing deals that brought in a meager annual income of $4 million.

They started to get serious around 2010, when they hired Alon Kaufman, co-founder of consumer-tech company HoMedics, to help run House of Marley. The company's first offering, $39.99 Uplift earphones, hit stores the next year. The clan began to fiercely oppose unauthorised uses of Bob's name and likeness—from unlicensed T-shirts to bobblehead dolls—and hired talent agency CAA to serve as the brand's guardian.

Beyond House of Marley, Rohan pushes Marley Coffee (sold in Whole Foods and Walmart), while Cedella heads Marley Natural, a purveyor of herb-related products such as a sold-out $178 smoked-glass water pipe. Like the audio goods, all have an eco-friendly aspect. "You can't win by price anymore," says Jeri Yoshizu, who came over from Toyota to be House of Marley's head of marketing. "[It's] all about how is the brand going to stand out and what does it stand for." Adds Rohan: "They say, 'Oh, the Marleys—they sing about love and peace and everything! They'll survive!' No, come on, man, that's rubbish. You need capitalism."

THE TOP-EARNING DEAD CELEBRITIES

Death doesn't always mean an end to a star's career. The prosperous departed who make up our annual ranking still draw in Las Vegas crowds and front fashion brands, while others shill everything from Salesforce to perfume.



1. MICHAEL JACKSON

$75 MILLION
MUSICIAN
DIED: JUNE 25, 2009
AGE: 50
CAUSE: OVERDOSE/HOMICIDE

The King of Pop retains his throne in the afterlife thanks to a Cirque du Soleil show in Las Vegas, a stake in the EMI publishing catalogue and continued interest in his music.



2. ARNOLD PALMER

$40 MILLION
ATHLETE
DIED: SEPTEMBER 25, 2016
AGE: 87
CAUSE: HEART DISEASE

More than a year after the legendary golfer's death, 400-plus stores still sell Palmer-branded merchandise in Asia, with plans afoot to move into new markets such as Thailand and Vietnam. Arizona Beverages makes 500 million cans a year of its Arnold Palmer drinks, while MasterCard and Rolex continue to feature him in their marketing.



9. JOHN LENNON

$12 MILLION
MUSICIAN
DIED: DECEMBER 8, 1980
AGE: 40
CAUSE: MURDER

Imagine all the profits... Lennon continues to cash in on an extensive list of hits—both from his days with the Fab Four and on his own—while also collecting cheques from the Beatles-themed Cirque du Soleil show *Love* in Las Vegas.



8. THEODOR "DR SEUSS" GEISEL

$16 MILLION
AUTHOR
DIED: SEPTEMBER 24, 1991
AGE: 87
CAUSE: NATURAL CAUSES

Oh, the places he goes: In the past year more than 5 million copies of Seuss books were sold in the US alone.

OUR LIST MEASURES PRETAX INCOME FROM OCTOBER 15, 2016, THROUGH OCTOBER 15, 2017, BEFORE DEDUCTING CUTS FOR AGENTS, MANAGERS AND LAWYERS. SOURCES: NIELSEN SOUNDSCAN; IMDB; POLLSTAR PRO; INTERVIEWS WITH CELEBRITY-ESTATE EXPERTS.



3. CHARLES SCHULZ
$38 MILLION
CARTOONIST
DIED: FEBRUARY 12, 2000
AGE: 77
CAUSE: COLON CANCER

MetLife retired the Peanuts gang from its ad campaigns this year after three decades of Snoopy and Charlie Brown. Nevertheless, Schulz's estate still pulls in millions from its contract with the insurance company, which doesn't expire until 2019.

4. ELVIS PRESLEY
$35 MILLION
MUSICIAN, ACTOR
DIED: AUGUST 16, 1977
AGE: 42
CAUSE: HEART ATTACK

In March, Graceland unveiled its largest expansion since it opened in 1982: A 40-acre entertainment complex called Elvis Presley's Memphis, across the street from the singer's Tennessee home. There's also a recently opened hotel, the Guest House at Graceland.





5. BOB MARLEY
$23 MILLION
MUSICIAN
DIED: MAY 11, 1981
AGE: 36
CAUSE: CANCER

See story, p36



7. PRINCE
$18 MILLION
MUSICIAN, ACTOR
DIED: APRIL 21, 2016
AGE: 57
CAUSE: DRUG OVERDOSE

A new publishing deal padded Prince's posthumous payday, though it would have been even greater had a $31 million Universal record deal not been canceled earlier this year.

6. TOM PETTY
$20 MILLION
MUSICIAN
DIED: OCTOBER 2, 2017
AGE: 66
CAUSE: CARDIAC ARREST

The Heartbreakers' front man passed away at the peak of his touring power and is credited with earnings from the past year on the road—where his band grossed north of $1 million per night. The spike in song spins immediately following his death also boosted his bottom line.



10. ALBERT EINSTEIN
$10 MILLION
SCIENTIST
DIED: APRIL 18, 1955
AGE: 76
CAUSE: NATURAL CAUSES

Salesforce's artificial-intelligence service is named after the famed physicist—who, for a fee, also lends his name and likeness to products that include dorm-room posters and tablets designed by Israeli tech company Fourier Systems.





11. DAVID BOWIE
$9.5 MILLION
MUSICIAN, ACTOR
DIED: JANUARY 10, 2016
AGE: 69
CAUSE: CANCER

The Thin White Duke remains as popular as ever. His last album, *Blackstar*, has sold 1.9 million copies since its release shortly before his death.



12. ELIZABETH TAYLOR
$8 MILLION
ACTOR
DIED: MARCH 23, 2011
AGE: 79
CAUSE: HEART FAILURE

Top-selling fragrances, including White Diamonds, and a QVC jewellery collection keep Liz's earnings alive.

13. BETTIE PAGE
$7.5 MILLION
MODEL
DIED: DECEMBER 11, 2008
AGE: 85
CAUSE: NATURAL CAUSES

The pinup legend's classic style has been memorialised in clothing, lingerie, handbags and even bridal wear.



For More Log On: www.smyfriends.com

$40.3 bln

The endowment balance of the Bill & Melinda Gates Foundation, the world's largest private charitable foundation, according to *Forbes*



PHILANTHROPY

The Greatest Givers

A PROMISE IS ONE THING. PLUNKING DOWN ACTUAL CASH IS another. *Forbes*'s annual list of America's top philanthropists, compiled in partnership with SHOOK Research, makes that important distinction: It tallies who gave away the largest amount last year in dollar terms, not who merely pledged the most. The top 20 are below; for the full list, see *forbes.com/top-givers*.

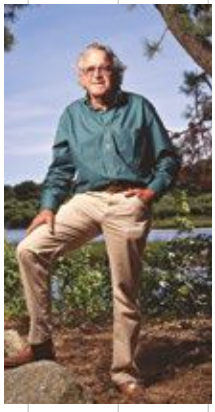
—JENNIFER WANG



Mayors from 290 cities in 19 countries entered an urban-solutions contest funded by former New York mayor **MICHAEL BLOOMBERG.** The $5 million grand prize went to São Paulo, Brazil, for its plan to connect nearby farmers to the city's restaurants and markets.



RAY DALIO cites meditation as the primary ingredient of his success. The hedge fund mogul supports programmes that teach the practice to inner-city kids, veterans, prisoners and people with HIV. The son of a jazz musician who played sax and clarinet in New York clubs, Dalio also donates to music organisations—particularly those that focus on jazz and blues.



Romania will have a new national park, partly thanks to **HANSJOERG WYSS**; he donated over $16 million worth of forest he owned to a conservation group that will restore it and then transfer it to the country's government.



JOHN & LAURA ARNOLD distributed $24.1 million in grants for public safety and measures to improve the US justice system's cost-effectiveness and fairness.

BLOOMBERG: DAVID M BENETT, GETTY IMAGES ; DALIO: ASTRID STAWIARZ / GETTY IMAGES; WYSS: BRENT HUMPHREYS; TOP: PEARL GABEL / REUTERS

LeaderBoard

BILLIONAIRES

China's Richest

ONE CAN ONLY IMAGINE WHAT MAO WOULD MAKE OF THIS GENERATION OF CHINESE tycoons—or of the country's carbonated stock market. The fortunes of China's 400 richest, all billionaires (or billionaire families), surged to a combined $1.2 trillion as of October, up by 26 percent from a year ago, handily outpacing the 13 percent rise in the Shanghai Composite Index. Seventy-nine made their fortunes in manufacturing, the most of any industry. There are 53 newcomers among the 400 wealthiest. For more, including the full rankings, see *www.forbes.com/china-billionaires*.

—RUSSELL FLANNERY



1. HUI KA YAN
Net worth: $42.5 billion
The chairman and CEO of real estate developer China Evergrande Group became the country's wealthiest man—up from No 9 last year—following a stunning 469% rise in his company's Hong Kong–listed stock, which swelled his fortune by nearly $33 billion.



2. MA HUATENG
$39 billion
Known as "Pony Ma", he chairs internet giant Tencent Holdings, developer of the hugely popular WeChat messaging app. A jump in Tencent stock ponied up an additional $14.5 billion to Ma's fortune over the past year.



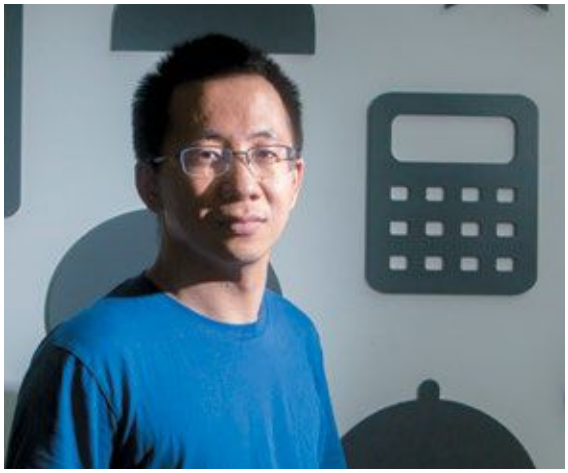
3. JACK MA
$38.6 billion
Ma's ecommerce powerhouse, Alibaba, keeps growing as ever more people worldwide shop online. His wealth is following suit, having increased by $10 billion since 2016.



4. WANG JIANLIN
$25.2 billion
Last year's list-topper is one of 92 Chinese billionaires whose wealth dropped. His Dalian Wanda real estate and entertainment group has been selling assets, such as its struggling theme parks and dozens of hotels, to pay down immense debt.



5. WANG WEI
$22.3 billion
Reportedly a former textile-factory worker, Wang runs SF Express, China's version of FedEx. He took it public in February via a backdoor listing, having acquired listed firm Maanshan Dingtai Rare Earth.



NOTABLE NEWCOMER
ZHANG YIMING
$4 billion
His startup, Beijing ByteDance Technology, created a popular app called Toutiao ("headlines" in Chinese), which aggregates third-party news and videos and has attracted 120 million subscribers. The company raised $2 billion in August at a valuation of $20 billion.



NOTABLE NEWSMAKER
SUN HONGBIN
$10.4 billion
Sun is founder and chairman of Sunac China Holdings, a Hong Kong-listed real estate developer whose shares rocketed 632% in the past year. This July, Sunac spent $6.6 billion to buy theme parks from Wang Jianlin's Wanda group.



NEW BILLIONAIRE

Retail Royalty

Nigel Austin's Cotton On fast-fashion chain has expanded across Asia, America and Australia

"I REMEMBER FROM 8 OR 9 years old that I always wanted to be in retail," Nigel Austin says. "I looked up to and respected my father." The elder Austin ran a clothing wholesale and import business in Australia, and Nigel spent school holidays working at the firm. After a brief stint attending college, he dropped out to start his own company.

"Good news and bad news," he told his father. "The good news is that this retail thing is going really well. The bad news is college isn't for me."

Thirty years later, Austin's Cotton On Group boasts 1,214 locations across Australia, New Zealand and Asia, and $1.5 billion in annual sales. (Austin, 47, owns 90 percent of the firm, a stake worth $1.3 billion.) The company is in America, too, with 143 of its fast-fashion stores.

Austin's family connections in the garment trade gave him a leg up in the early days, says James Stewart, a retail expert at Ferrier Hodgson, an industry consulting firm: "The Austin family has a deep history in direct sourcing. They got first-mover advantage." Cotton On entered the US in 2009 as ecommerce began to hurt brick-and-mortar retailers. "We are taking it slower than we normally would because we're reading what's going on," says chief executive Peter Johnson.

—GRACE CHUNG

HUI, MA: BOBBY YIP / REUTERS; JACK: LUCY NICHOLSON / REUTERS; JIANLIN: THOMAS PETER / REUTERS; WEI: VCG / GETTY IMAGES; YIMING, SUN: GETTY IMAGES

‘India is a Fertile Environment for Impact Investing’

Bill McGlashan, founder of the $2 billion The Rise Fund, dismisses the idea that businesses have to compromise on returns to generate impact

BY VARSHA MEGHANI

AS A $2 BILLION (AROUND ₹13,000 crore) impact investment fund, managed by the US-based private equity firm TPG Growth, The Rise Fund is one of the most ambitious of its kind. Launched in December 2016 by Bill McGlashan, 54, founder and managing partner of TPG Growth, U2 lead singer Bono and Jeff Skoll, the billionaire former president of online marketplace eBay, the fund aims to deliver “complete returns” by generating financial benefits alongside social and environmental impact.

The Rise Fund will target investments in education, energy, food and agriculture, financial services, health care, information and communication technology, as well as growth infrastructure across the world.

Its investments include US-based EverFi, a provider of subscription-based digital learning, and California-based Brava Home, makers of ovens that use about 90 percent less energy than conventional ovens.

Forbes India met McGlashan, who serves as the CEO of the fund, to understand how he intends to make real the promise. Edited excerpts:

Q With The Rise Fund, TPG is one of a number of mainstream entrants—including BlackRock, Bain Capital and Bank of America Merrill Lynch—in impact investment. Is this sector reaching a new high within the capital markets or is it still early days?

Globally, there’s about $20 billion of private capital in impact investment today, compared with the $2.5 trillion in private equity. Hence, it’s a very small space.

The good news is that there is more institutional interest in this space and what we’ve done with The Rise Fund ought to accelerate that, if we do our job right. Our mission is to develop a credible way to measure impact, in a way that is auditable and reportable. That discipline will be made available for others to use.

That’s a commitment we’ve made to our limited partners and the founders’ board.

Interestingly, a substantial majority of the capital in The Rise Fund is from institutions that have never invested in impact and have no particular mandate to invest in impact. We need to educate these investors and demonstrate co-linearity between great returns and impact. Historically, many impact funds have operated with the notion that you have to compromise on returns in order to generate impact. We don’t believe that to be the case. In fact, all of our [TPG’s] investments in the impact space have been successful ones, with as good returns as any other investment.

Q Measuring an investment’s success is a challenge in this space. How do you create a

> “Most of the capital is from institutions that have never invested in impact.”



MEXY XAVIER

credible way to measure impact? This has indeed been one of the key challenges, but the good news is that both in the world of philanthropy and in the impact world, including government efforts, a lot of work has gone into figuring this out.

So we started by leveraging what is already some great work and then spent several years working with The Bridgespan Group, a US-based consulting firm in the space of social impact that was spun out of Bain & Company. In fact [the Bridgespan Group] founder Tom Tierney led our effort, working on a method to underwrite impact and ultimately measure it.

We then pressure-tested our approach with 80 organisations all over the world to see if they felt we had figured it out.

For us to credibly underwrite future impact, we have to know there's a correlation between business output and social/environmental outcome. So we back-tested it against 100 deals to see if it worked. Once we ensured the veracity of the relationship between a business



Bill McGlashan, founder and managing partner, TPG Growth and founder and CEO of The Rise Fund

output and its outcome, we [created] key performance indicators and operating metrics to track it.

Finally, we got KPMG involved to provide the assurance around the credibility of our approach to investors.

It wasn't an easy process because each vertical, be it health care, education or energy, has a different way of measuring impact. Health care itself is an enormous sector: There are health care services, devices, pharma and much more, and each of these has a different approach to impact measurement. So the devil is in the detail. And these questions are best answered in the detail.

Q The Rise Fund's only investment in India so far has been $50 million in Hyderabad-based Dodla Dairy. What made the company an attractive bet?

Dodla Dairy works with 2.5 lakh small stakeholder farmers from 7,200 villages who collect a million litres of milk every day. They have 72 cooling centres and 11 manufacturing plants in southern India.

What was fascinating is that the underwriting of impact related specifically to the increase in household income of these farmers. Dodla works with them to improve yield and productivity through training and technology, which in turn is directly related to improving profitability. So their success is our success.

And Sunil Reddy, the founder and MD, wasn't thinking about it as impact per se. Yet, he's deeply committed to these 2.5 lakh farmers and part of the model was, if I can deliver a long-term contract that you can rely on, and if I have a system by which I can pay you every day, which they do through mobile payments. The farmers can then invest in scaling up because they know they have a reliable offtake agreement.

The milk productivity per cow in India is a fraction of what it is in other parts of the world. It's not that there are no high-yielding breeds of cows here, it's about the inputs. So there's a huge opportunity to create a great financial outcome as well as a high multiple of money, related to impact. We call it high IMM—impact monetary multiple. So our bets have to have great returns and high IMMs.

Q How much of The Rise Fund's $2 billion corpus is for India?

We don't allocate to a given country or region. That is religion for us. From running TPG's growth business for over 15 years, I learnt that you have to avoid the hammer-and-nail problem. Everything a hammer sees is a nail. The problem with having a commitment to doing deals in a given market is you'll do the deals, but it may have been a good idea or it may have been a bad idea. Instead we want to find some great businesses, run by some great entrepreneurs where we can create significant impact and great returns. That's the only lens we care about. And if it's in India, great, if it's not, great. That said, given the evidence so far, I think we're going to see a lot of investment in India.

> **"We want to find some great businesses, run by some great entrepreneurs."**

Q What makes you so upbeat about the Indian market?

India is a fertile environment for impact investing. Much of the natural bias and favour of impact investing, I think, is cultural here, given the sort of existential challenges in India and the bottom of the pyramid [consumers]. But I think a more interesting dynamic that's taken place over the last four years is that with the UIDAI initiative, with Reliance Jio [owned by Reliance Industries, the publishers of *Forbes India*] and the proliferation of mobile wireless capability across India, it's an environment where there's a chance to truly develop some great companies. They can generate great returns but also have impact that can yield real, significant change across scale in India. So I'm quite excited.

Moreover, the entrepreneurial community here is extremely resonant with this topic [of impact investing]. And, by the way, that's not unique to India. In the US too, the level of interest in impact investing among young entrepreneurs, millennials in particular, is tremendous. [This September, The Rise Fund ran a $500,000 competition for under-30, for-profit entrepreneurs driving positive social and environmental impact, in partnership with *Forbes* and Echoing Green.] The youth have no patience to first make money and then do good. They want to do good now, which gives you real hope for the world.

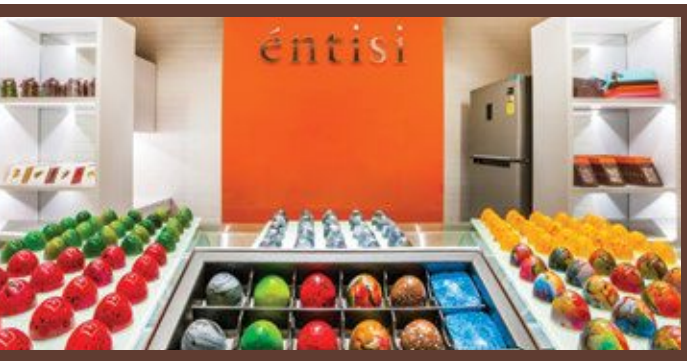
Q What kind of returns are you looking at?

Outstanding returns. We're not allowed to talk about returns, but we [TPG] have always done quite well. The reality is impact companies are no different from non-impact companies in character. I think the world in general favours them [the former], because we as consumers want to buy from good companies. There's an advantage there, but, in general, unit economics, margins, competitive dynamics, and such factors are the same for both kinds of companies.

So the notion that somehow returns would be better or worse in a company that's an impact company is totally absurd. Why would it be? It's either a good business model or it's not. By the way, if it's an impact company with a bad business model, it's not going to generate a whole lot of impact because it's not going to scale.

éntisi

A chocolate extraordinaire.







Good chocolate is as much of an adult pleasure as fine wine or a Cuban cigar. While there are many chocolate manufacturers in the country, Éntisi now offers an alternative to mass-market chocolate, the luxury segment that is definitely one for the connoisseur.

ÉNTISI CHOCOLATE BOUTIQUE

After an intensive training in Europe, Nikki Thakker-Founder & CEO, opened the first exclusive Éntisi chocolate boutique at Linking Road, Santacruz (W), Mumbai. The boutique is at par with the best in the world with contemporary and clean interiors and a temperature-controlled display case set to exact degrees centigrade for their unique bonbons collection.

Éntisi offers a range of exquisite chocolate creations such as Bonbons – the center filled chocolates; Cubes – velvety soft cubes of exotic cocoas delicately mixed with butter & fresh cream; chocolate Nut Bars which are generously filled with nuts, Drageés (whole nuts coated with chocolate), and Single Origin Tablets from the best cocoa growing regions in Africa and South America like Madagascar, Ghana, Ecuador and Tanzania. In addition, the Éntisi chocolate Boutique also offers the best hot chocolate in town! The hot chocolate is more like a melted Belgian truffle. This rich dark hot chocolate will leave a strong cocoa note on your tongue.

ÉNTISI CHOCOLATE LAB

The Éntisi Chocolate Lab is equipped with the finest machines a chocolatier can aspire to have. With technology imported from Italy, Belgium and United States, the Chocolate Lab has the perfect tools to create an excellent artisanal chocolate experience.

Éntisi's team comprises of internationally trained and acclaimed chocolatiers who have worked across continents. The range is wide and the possibilities are endless. Some of their chocolates include exotic flavors like Kesar Pista, Raspberry, Ginger Lime, Truffle Oil, Wasabi, etc. They use the most distinctive and fine ingredients that haven't been witnessed in the country before. Their fusion of indigenous spices, flowers, roots and herbs with premium chocolate creates a sensory experience that will make one aware of and appreciate the world's diverse cultures.

PRODUCT RANGE

At Éntisi, perfection comes in a box – lavish collection of pick and choose as well as ready-to-go gift boxes. Each box is a tribute to quality, creativity, and impeccable design. Every visit to the Éntisi boutique is a trip to discover sophistication, unique gift creations, handmade artistry and an exclusive style. Whether it is for your own personal consumption or a gift, Éntisi chocolates reflect an experience of delight and ecstasy from the time of choosing their creations to savoring them.

The bonbons (handcrafted soft center filled chocolates) come in a packing of 7 (₹395), 12 (₹745) and 25 (₹1495). The drageés start from ₹295 and All Nut bars are priced at ₹395, whereas the single origin chocolate tablets are for ₹345. The best way to enjoy these chocolates is to have a bite and place it on the tongue and let the body heat do the rest. The feeling in the mouth is something that will linger long with a burst of flavors after the melted chocolate has slid down the throat.

FOR FURTHER DETAILS

W: www.entisi.com | Ph: +91 8080 554 554 | E: info@entisi.com

Advt.

Davos: An Exercise in Futility

WEF attendees are estranged from real life and do not understand the concerns of ordinary denizens of the planet

BY SATYAJIT DAS



IN LATE JANUARY, MANY GLOBAL leaders—politicians, bureaucrats, business representatives and public intellectuals—make a 'pilgrimage' to the Swiss town of Davos for the prestigious annual summit of the World Economic Forum (WEF).

Davos, located in the predominantly German-speaking part of east Switzerland, was also the setting for Thomas Mann's novel *The Magic Mountain* that reflects the alpine town's history as a health sanatorium for tuberculosis patients. At the end of World War II, fleeing National Socialists used the town's German-owned hotels and businesses to transfer large amounts of cash, gold and valuables out of the Third Reich.

To be sure, there are events that compete with the Davos summit: The St Petersburg International Economic Forum (SPIEF), the Boao Forum for Asia and the International Monetary Fund and World Bank annual meetings, for instance. There are even counterculture equivalents like Ireland's Kilkenomics Festival (described as 'Davos with jokes' or 'Davos without hookers') where discussion panels are moderated by comedians in the backrooms of pubs. Yet, it is the WEF gathering that remains pre-eminent—the place to be seen.

In recent years, the WEF has focussed on economic matters and the new global context, which encompasses topics such as conflicts, instability and political, economic and technological changes. 'Mastering the Fourth Industrial Revolution' was the theme of the 2017 Davos summit. The irony was that world leaders, only few of whom have fully mastered their smartphones or basic computing equipment, discussed the future of technology.

Participants skirted the fact that what passes for new technology is familiar rent seeking that destroys jobs, erodes wages and exacerbates inequality, as owners of the technology benefit at the expense of others. It also remains unclear where the WEF's future technological wonderland fits in a world crippled by unsustainable debt, the intractable trajectory of climate change, sluggish growth in Europe, Japan and emerging markets, conflict-driven immigration and geopolitical risk.

This year, too, over canapés and mineral water, the parade of leaders descending on Davos will focus on concepts such as geostrategic competition, new antagonists, global solidarity, exponentially disruptive change, a shared sense of uncertainty, the transformation of human identity and the shift from traditional hierarchies to networked heterarchies.

Curiously, the agenda will again include issues that world leaders, it was widely assumed, had solved at previous gatherings—economic slowdown, climate change, an unsteady global financial system, social inclusion, gender parity and agriculture and food security.

The WEF's laudable attempt to provide a forum to discuss global problems illustrates the inadequacy of the existing architecture in dealing with these issues. Many decision makers avoid Davos, dismissing it as a talking shop. Others bemoan its transformation into another 'networking' or 'thought bubble' event, overpowered by consulting firms and lobbyists.

WEF attendees are estranged from real life. It is difficult for those who live in a cocooned world of wealth and power, generally paid for by others, to understand the concerns of ordinary denizens of the planet.

The WEF is also synonymous with groupthink. Participants ignored warnings about the increasing risk of complex finance in the period before the global financial crisis. Attendees continue to believe in 'trickle-down' economics, arguing the problem of poverty has largely been solved. Meanwhile, the number of people in the grip of poverty—defined as living on less than $2 a day—in sub-Saharan Africa has doubled to over 500 million since 1981.

The process lends itself to achievement by announcement and self-promoting and self-serving initiatives. Appearing at Davos 2015, former US vice president Al Gore and singer Pharrell Williams addressed environmental issues through a second round of Live Earth concerts to take place across all seven continents, including Antarctica.

In reality, little of consequence ever happens at Davos. The real genius of Davos is the concept itself. Founded in 1971 by German-born economist Klaus

Schwab, it taps into the world's voyeurism and innate shallowness. The WEF exemplifies a trend that John Kenneth Galbraith (ironically one of the first guests at the event) identified: "To proclaim the need for new ideas has served, in some measure, as a substitute for them."

The Davos Men

The 2,000-odd members of the global elite who meet at the WEF are the 'Davos Men', a term coined by political scientist Samuel P Huntington. The cost of attendance is high, although it is rarely their own money and is tax deductible. Attendance is possible only if the WEF invites you to Davos and requires the payment of a fee. Then, there is a basic ticket which buys admission to general sessions. Additional fees elevate the participant to industry associate level, which allows participation at private sessions.

Businesses pay a large sum to become strategic partners, which allows multiple attendees (important people must be seen with their entourage).

The exclusivity of the WEF creates a form of reverse snobbism. Former chief investment officer at Pacific Investment Management Company Mohamed El-Erian publicly rejected invitations to Davos, penning an article titled 'Why I Won't Go to Davos'. El-Erian argued that he preferred more efficient time management and meetings with less time pressure and greater focus. Other luminaries who are not Davos devotees include Warren Buffett and Apple CEO Tim Cook. Google co-founders Larry Page and Sergey Brin and Facebook's Mark Zuckerberg are also not regulars.

Network Effect

The quality of the intellectual talent present is usually not the reason most attend. World leaders, central bankers and policymakers rarely provide major insights or insider information, choosing studied caution in their utterances. Participants also regularly skip sessions other than the ones where they want to be seen.

In reality, it is a networking opportunity. Participants hope to build their Rolodex and speed dating allows face time with clients, regulators, politicians and peers. Firms can promote views beneficial to their business and financial interests in a seemingly benign environment.

It may also allow access to leaders which would be difficult outside of Davos. In 2006, using his network, Stephen Schwarzman, the chairman, CEO and co-founder of Blackstone, arranged to meet with Chancellor Angela Merkel to counter German hostility towards private equity firms. Blackstone subsequently purchased a stake in the German telecommunications company Deutsche Telekom.

Some business leaders feel obliged to attend Davos because their peers or customers do. For others, it is an antidote to the insecurity or loneliness of leadership. *Financial Times* columnist Gillian Tett once quipped that it was "a self help group for the global elite".

Davos's attraction is proximity to wealth. John Kenneth Galbraith could have had Davos in mind when he noted: "Nothing so gives the illusion of intelligence as personal association with large sums of money. It is also, alas, an illusion".

Exclusivity is important. Access is limited to people whose adoring and uncritical media profiles promote their purported genius and ability to walk on water. This obviates the sheer inconvenience of having to put up with other people who are not of the requisite calibre. The special can associate only with special others who understand them.

There is also a certain frisson, supplied by selected intellectuals, performers and artists. But it can result in confusion with celebrities wanting to be intellectuals, intellectuals wanting to be celebrities and business leaders wanting to be both celebrities and intellectuals.



Davos also provides the opportunity to differentiate your own standing within the elite. Did you fly commercial or on your own private jet? Where are you staying? Does your driver have a sticker allowing door-to-door pick-up service? Did (insert name of rock star/world leader or statesman/scientist) attend your soiree?

Ultimately, the real problem is that it reinforces the global elite's deep insecurity and fears. Steve Case, founder of AOL, once told author David Rothkopf: "You always feel like you are in the wrong place in Davos, like there is some better meeting going on somewhere in one of the hotels that you really ought to be at. Like the real Davos is happening in secret somewhere." F

Satyajit Das is a former banker. His most recent book is Age of Stagnation. *He is also the author of* Traders, Guns and Money *and* Extreme Money

CHAITANYA DINESH SURPUR



Paul Bulcke feels Nestlé is still under-represented in India, compared to where it wants to be, and is looking to expand



PAUL BULCKE

‘There’s Harmony Between Nestlé’s Purpose and India’s Goals’

*Chairman **Paul Bulcke** is bullish about Nestlé’s prospects in India and says the Maggi imbroglio won’t hamper future investments in the country*

BY AVEEK DATTA

It’s been 105 years since Nestlé established its business in India. However, Nestlé SA Chairman Paul Bulcke feels the company is “under-represented” in the country and says it has immense scope for expansion in one of the fastest growing economies of the world.

Over the past 5-6 years, Nestlé—which operates in the country through Nestlé India, its listed subsidiary with a market value of close to ₹75,000 crore as on November 21—has invested around $500 million to expand capacity. In an exclusive interview with *Forbes India* during his visit to New Delhi in November, Bulcke, 63, says further capital investments to grow its presence in India will be a continuing priority for the 151-year-old company, headquartered in Vevey, Switzerland.

Nestlé, the world’s largest food and beverages company with annual sales of $90 billion in 2016, has faced some serious challenges in India. Its biggest crisis was in 2015 when a controversy erupted over the quality and safety standards of Maggi, its popular brand of instant selling noodles and one of the FMCG major’s highest selling products in the country. Some state governments banned the product and a voluntary recall thereafter not only affected Nestlé’s goodwill but also had an adverse impact on its financial performance—its revenue dropped by 17 percent to ₹8,123 crore in the calendar year 2016.

Recalling that period, Bulcke, who was CEO of Nestlé SA then, calls it “a strange situation, where nobody was at fault and yet we were in trouble”. He says Nestlé India was always confident of its product quality and did well not to “leave the consumer alone” even when Maggi went off the shelves. This helped regain their trust and re-launch the product successfully.

Now that the Maggi imbroglio is in the past, Nestlé India, under the leadership of Chairman and MD Suresh Narayanan, has adopted a new growth strategy. Bulcke, a Belgian and

AMIT VERMA

Swiss national, and a 38-year veteran at Nestlé, says there is compatibility of ambitions and harmony of purpose between India's goals and Nestlé's purpose of enhancing quality of life through nutrition and contributing to a healthier future. Edited excerpts:

Q How do you assess the situation with respect to food processing in India?

When it comes to food security and safety, there are definitely challenges in India. Despite favourable conditions for food production and richness in terms of agriculture, only around 10 percent of the food in India is processed, which leads to a lot of wastage. In other countries, as much as 75 percent of the food is processed in some form or the other. But that also means that the potential upside for food processing in India is huge. There are complexities in terms of infrastructure—warehousing, logistics and roads—that need to be managed.

Also, food safety and quality are issues close to Nestlé's heart. We are a pre-eminent food and beverages company that is all about nutrition. Our purpose is to enhance the quality of life through nutrition and contribute to a healthier future. We are a part of this ecosystem and want to play an important part.

We started a factory in Punjab around 60 years ago and engaged with the community there to create a 'milk district'. We helped form cooperatives and showed them how to work with technology like cooling stations. This has helped productivity increase from 2 litres of milk per cow to 8-10 litres. And the quality of milk is such that we can pay the full price for it, which means that the farmers can earn more money.

Also, any milk district sees around 20 percent of its produce wasted. However, by streamlining the production and collection processes, we have brought this down to 2 percent. This is the best example of creating shared value.

Q Do you see greater scope for Nestlé to increase the level of food processing in India over and above what it is already doing?

Definitely. We are more than 100 years old in India. Whenever we engage in a country, by the very nature of the business of food that we are in, we bring in our best global practices and knowledge and adapt our offerings to local tastes, preferences and habits. We have eight factories in India and there can be a lot more. We will look to expand and see if we can help create other milk districts. We are just beginning a new chapter of development in India because we believe that Nestlé is perhaps a little bit under-represented in India, compared to where we want to be.

We are certainly going to invest more. The country is growing and we want to be a part of this growth. We have invested half a billion dollars over the last few years to upgrade technology and expand, and we will continue to invest. We don't work in phases. Investments are an ongoing plan for us. We are looking to invest in new areas where we are relatively small in the country.

> "Stable economic growth, even at lower rates, is better than sudden spurts."

Q What are some of the areas in which you would like Nestlé to grow further?

We are targeting infants and children with the First 1,000 Days programme—an area where more can be done in India. This is linked with some of our product categories like milk, infant cereals and baby food. I feel there is a lot of upside possible here and we are seeing how we can bring quality products that are also affordable. We are trying to evaluate how we can deliver more vegetables to children through our products. Coffee is another category where we plan to help, with the development of local plantations, through a concept similar to milk districts. So much more can also be done with noodles by factoring in the variety of spices, flavours and ways of cooking that can be found in India. The ready-to-drink products is another area we would like to develop. For instance, we have launched the MILO ready-to-drink energy beverage, which is fortified with nutritious elements for children, with 40 percent lower sugar content than some other products in this space.

I have high ambitions for India. This is a country of over 1.3 billion people and there is much more to be done to create healthy offerings. There is compatibility of ambitions and so much harmony between Nestlé's purpose and India's goals; we want to be an active part of this journey.

Q What were some of the key lessons for Nestlé from the Maggi imbroglio?

I think what was challenged in that situation was trust—the consumers' trust in us and the mutual trust between different stakeholders, including various government departments. That was really unfortunate. All of a sudden, we weren't connecting with the consumer. Eventually, we had to call it off [withdraw Maggi from the shelves] and say, 'Let us first win back the customers' confidence again'.

Most importantly, we always maintained that our product was safe and this was proved through tests. So we didn't fail the consumer in that sense. But we failed somewhere in securing a connection with them. It was a strange situation. Nobody was really at fault, but we were still in trouble. There was some confusion and we decided to let that clear before we came back to the market.

It hurt, but that was the responsible thing to do. But what we did well was to never leave the consumers alone. We focussed on building trust with them and maintained our connection. I came here and we faced the situation directly. It wasn't easy, but we spoke authentically and honestly. Now we are back with full confidence. Maggi is doing well and we are continuing to grow.



Nestlé runs eight factories in India and "there can be more".

Q Nestlé appointed Suresh Narayanan to lead its India operations during the Maggi crisis. How do you evaluate his leadership?

Suresh has shown good leadership skills and carried the whole team along with him. He understands the country. Solving the Maggi issue was part of his job, but not his only job. At Nestlé, a leader is only as strong as his team. I think Nestlé's team in India, led by Suresh, has done a fantastic job. One of the reasons that I have come down to India is to congratulate the team. The management structure in Nestlé is quite decentralised. The business of food, along with its components such as supply chain, are local in nature. The leader of any of our markets needs to take an independent call on how Nestlé's presence in that country shapes up. We have a global strategy and brand positioning guidelines. But it is the combination of this global strategy and innovation and local execution that makes Nestlé unique.

Q There is a growing global demand for food companies to shift towards healthier offerings and reduce sugar content in their products. What are your views on this?

Sugar is readily available calories. Until 20-30 years ago, it was seen that there was a direct correlation between calorific intake and life expectancy. Then the correlation started diverging wherein life expectancy remained flat despite higher calorific intake. This is also when we, as a society, started moving towards a more sedentary lifestyle. Food and beverages companies have to figure out a way to deliver the enjoyment associated with food, but with lesser calories. This is a space in which we invest quite a lot. How do we reformulate our products with, let's say, empty sugar crystals, which give the perception of sweetness but with fewer calories. Or how do we develop a salt profile, where the salt isn't absorbed by the body.

Q What role does digital transformation play in a company like Nestlé, which is more than 150 years old and traditionally into manufacturing?

Digital is a trend that is going to shape society. Companies like ours obviously need to be linked to social media. Maggi is where it is thanks to digital, which allowed us to maintain a continuous dialogue with our consumers. I think only those companies are going to be successful in the digital era which can figure out how to link the digital and the virtual with the physical. For us that could mean using technology to establish traceability of products or monitoring our milk districts, cooling stations and factories remotely.

Q India recently gained 30 places and ranked 100th in the World Bank's Ease of Doing Business index. What are your views on the present business climate in India?

India is a complex country with over 1.3 billion people and a federal structure. But there is a lot of upside if the people and policies are aligned. The government is aware of that and is doing something about it. So certain decisions are being taken, like with taxation, which lead to transparency. This has helped India improve its position vis-à-vis ease of doing business and kudos to the government for that. But there are still many more positions to gain and consistent policy making and implementation will help. I also feel that stable economic growth, even at a slightly lower rate, is better than sudden spurts. Economies and societies are like adolescents. If they grow too fast, they tend to become clumsy. F

In-Store and in India

XIAOMI, A CHINESE SMARTPHONE COMET ONLINE, HAD TO BROADEN ITS RETAIL BASE. MANU JAIN IS HELPING TO PULL THAT OFF

By **ANURADHA RAGHUNATHAN**



Manu Jain, head of Xiaomi India, takes a selfie with his colleagues

Chinese phone maker Xiaomi started off its pre-Diwali sale in India in 2017 on a high note—selling 1 million phones in 48 hours in September. It was a reminder of how potent the online marketing channel can still be for a company that lit up its home market that way three years ago.

But the company's lustre had faded in the meantime. The bigger story for Xiaomi in 2017 is how it is using bricks and mortar to regain momentum. And India, its second big market, is in the forefront of that effort.

For the first half of 2017, Xiaomi was the first runner-up in the country's smartphone segment, after Korea's Samsung (see table, *page xx*).

Globally, this matters: India has the second-largest smartphone base after China but still has only 300 million users against China's 710 million. Although China remains a key battleground, its market is getting saturated. Hence, ever more competitive Chinese brands are assiduously wooing Indian consumers. In that first half of 2017, they combined for a 54 percent share.

"We've been able to bring really high-end, high-quality products and make them affordable," says Manu Kumar Jain, 36, who heads Xiaomi India and is a global vice president. "Phones with similar specs—for the price ranges that we offer—will cost double with a competitor."

Xiaomi, which entered India in 2014, is looking for revenues there to exceed $2 billion for 2017—doubling from last year. (Margins are wafer-thin, but the Indian subsidiary has been profitable since 2015.) Overall sales should pass $16 billion.

Jain's operation has running room—India's $19 billion market (wholesale smartphone revenues) is expected to cross $30 billion by 2020. Closely held Xiaomi may still sell three times as many phones in China, but India is its best hope for gains that might at last unlock its IPO opportunity.

Yes, Xiaomi can work the online channel better than anyone—it has half of such sales in India. But key to Jain's push are the physical contact points: "Preferred" retail outlets (which give Xiaomi a push over rivals they sell) and "Mi Homes" (experience/sales centres). "Xiaomi has managed to create a lot of buzz around the brand," says Navkendar Singh, senior analyst at global advisory firm International Data Corporation's (IDC) India office. "They have good customer engagement. And they also refresh their portfolio pretty frequently."

Xiaomi is churning out one phone per second at its two manufacturing facilities in Andhra Pradesh (in partnership with Foxconn) to cater to Indians. It has already invested $500 million in India (along with its various partners) and is looking to pour in another $500 million over the next two years, creating an estimated 20,000 jobs along the way.

Started in 2010, Xiaomi took China by storm with its $100 to $300 phones. Online selling cut costs and reached customers directly. Revenues doubled for a few years, and founder Lei Jun was named *Forbes Asia*'s 2014 Businessman of the Year.

But in 2016 shipments fell by 36 percent amid fierce competition from Chinese rivals Huawei and Oppo. Lei's estimated net worth, too, was cut in half from a high of $13.4 billion in 2015.

Cue the offline reboot. Xiaomi had come to India with its online prowess but found that 70 percent of the market was in stores. So over the next two years it set up



600 service centres, stitched up partnerships with 650 retailers and opened seven Mi Home centres. It recently tied up with Kishore Biyani's Future Retail to sell its two most successful models at Big Bazaar outlets during the festive season.

In China, Xiaomi now has 200 stores and is looking to add 800 by 2020. Already, this is showing results: Offline sales in China grew significantly in 2017, and in the second quarter, Xiaomi overtook Apple as the fourth-largest phone shipper in China. Worldwide, it ranked fifth in the second quarter, with a 59 percent rise, a considerably faster climb than the rest of the top five.

India is setting the pace. "We expect to be the number one smartphone brand soon," says Jain, who has an engineering degree from IIT-Delhi plus a postgraduate diploma from the premier Indian Institute of Management in Kolkata.

He worked as a consultant with McKinsey out of college and then co-founded fashion retailer Jabong.com in 2012 with a group of friends. He quit the Delhi startup in early 2014. (Jabong was sold to Flipkart in 2016. Jain offloaded his stake for an undisclosed sum.)

Back in Bengaluru and previously acquainted with Xiaomi's co-founder Bin Lin through a common friend, Jain soon joined the phone maker. For a while he was the only employee in India. "I'd be opening the door, serving tea and coffee myself and also discussing deals worth hundreds of crores," recalls Jain. The India staff now exceeds 300.



Xiaomi founder Lei Jun

But the initial days were tough. For instance, during Diwali 2014, there were rumours that the Indian Air Force had banned Xiaomi phones and sales dipped. (Official tensions with China are always in the background.) Then came a copyright case—regarding chipsets—slapped by phone maker Ericsson. Some products also backfired, like the tablet Mipad, which was later withdrawn from the market.

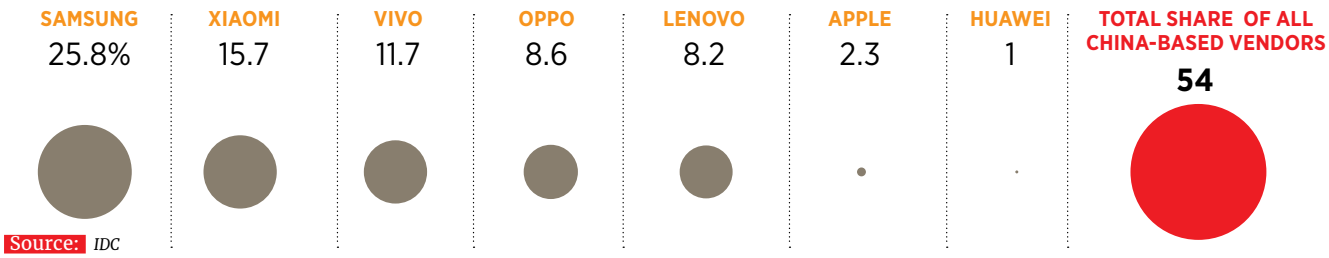
At that time, Jain worked closely with the charismatic Hugo Barra, who used to head international sales for Xiaomi and has since moved to Facebook. These days, Jain connects with Xiaomi founder Lei Jun to craft strategy. Jun doesn't speak much English and Jain doesn't know Mandarin, but the two catch up many times a day to chat, using in-house translators or even Google Translate. Jun visits India at least once every quarter. Jain, who has an undisclosed equity stake, hosted him at his Bengaluru home recently. (Bin Lin, meanwhile, continues to oversee the entire company's growth.)

By 2016, Xioami rose to the No 5 position in a bunched Indian smartphone ranking after Samsung. Starting this year things looked even better, spurred by the government's demonetisation move to formalise transactions, which boosted online buying. Also helpful was its $150 to $200 Redmi Note 4 series. With an all-metal body, fingerprint scanner and 13-megapixel camera, it became India's favourite model for the first half of the year, selling nearly 5 million phones, as per company data.

Xiaomi appeals, in part, to young adults upgrading from a $100 to a $200 smartphone. This is a notch above where domestic outfits like one-time star Micromax had gotten a foothold. "Micromax and other India-based vendors were dominant in the sub-$100 category," says IDC's

JAIN: NAMAS BHOJANI FOR FORBES; JUN: ALY SONG / REUTERS

SMARTPHONE MARKET SHARE IN INDIA (FIRST HALF OF 2017):

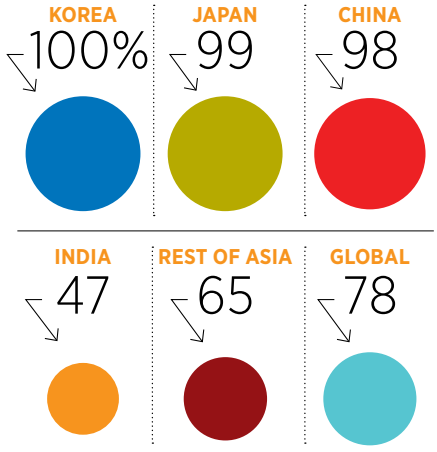


Source: *IDC*

LATE ADAPTERS

India has plenty of room for mobile brand building

SMARTPHONES AS A PERCENTAGE OF TOTAL PHONES (FIRST HALF OF 2017):



Source: *Counterpoint*

Singh. "But with the huge onslaught of Chinese vendors in the $100 to $250 category, the sub-$100 lost its appeal, since there were better-designed devices with high specifications."

In this sector, Oppo and a similarly aimed Chinese brand, Vivo, are on a marketing blitzkrieg, splashing their names across billboards and mom-and-pop shops. They are wooing cricket-loving Indians by sponsoring major cricketing events. And they are luring dealers with good markups.

Xiaomi's answer is to use social media and Mi fan clubs to spread the word. It's online Mi Community has more than 2 million Indian users. Clubs bring together Xiaomi fans, who discuss everything from headphones to screens to battery capacities. They also beta test the phones under extreme conditions—like watching movies for 48 hours straight or playing videogames for 20 hours at a stretch.

Jain points out that the phone itself is not the endgame. "Our smartphones will be at the centre of a universe of products," he says. Xiaomi fare in China includes such products as shoes, air purifiers and TVs. It has invested in 89 hardware startups. In India it has already rolled out power banks, audio accessories and fitness bands.

Xiaomi also has its own operating system (MIUI) and an internet platform, Mi.com. (MI stands for "Mobile internet", and Xiaomi—which means "millet" in Mandarin—was named to signify ubiquity.)

"The momentum is there, but their profitability is limited by [Xiaomi's] business model," says Neil Shah of Mumbai's Counterpoint Research. "Since this is a volume game, global-level scale will be important and thus growth beyond the India or China markets."

That's true for the Chinese rivals, too. "They have started expanding their presence in Southeast Asian countries like Indonesia, Malaysia, Philippines, Thailand and Vietnam," says Xiaohan Tay, research manager for client devices at IDC. "These are price-sensitive markets, and vendors have to continue to focus on pushing their low-end and mid-range products in these emerging markets."

Jain is conscious of the hypercompetition around him. He says his backpack has at least 20 new marketplace releases at any given time. His desk drawers are jammed with cellphones of varying colours, screen sizes and specs. But while he had cited the market title as an expectation, "We don't chase the No 1 ranking," Jain professes. "Our philosophy is to focus on the inputs—as in the right product, the right innovation, the right services and the right business model. The output, which is the market share and rankings, will automatically happen."

Additional reporting by Jane Ho

TOP SHELF

Xiaomi basically competes in the mid-premium market in India, where the average smartphone sells for $157. Lenovo-Motorola—its most direct competitor—has doubled production capacity in India and launched 13 models since June. But Xiaomi also aims to contend up the margin ladder, against Huawei (which builds phones in India as well) and ultimately Samsung, to offer 4G wonders such as better cameras and larger screen sizes.

A case in point is the Mi MIX 2, priced at $550—a bezel-less ceramic phone, which was offered online on the day before Diwali. The flash sale finished in three minutes flat with expressions of interest from 100,000 buyers. Xiaomi has not disclosed how many phones were sold.

Not everyone can compete well in that realm. Huawei—the largest-selling brand in China—had a meagre 1 percent share in India for the first half of 2017. (High-priced Apple is also a secondary presence, with 2.3 percent.)

Samsung is not going to cede its top spot willingly. In June, it announced a $760 million expansion of the Noida plant, doubling capacity to 120 million units per year. While Samsung continues to be No. 1, it's gone from owning a third of the Indian market in 2013 to a fourth in 2016—albeit of a growing pie.

—AR

Network 18

The best brains in business are now available to you 24x7

With Forbes India now online, you can engage with India Inc.'s most influential leaders in multi-media. Read articles and blogs, watch videos and shows, go behind the scenes with podcasts, share your comments and much more. Interact, share, read, listen, watch and understand the dynamics of business, in a whole new way.

Log on to:

forbesindia.com

‘In India, We’ve Gone Very Deep, Instead of Wide’

MANU JAIN, MANAGING DIRECTOR OF XIAOMI INDIA AND VP AT THE BEIJING-HEADQUARTERED SMARTPHONE MAKER, WHO PREVIOUSLY CO-FOUNDED ETAILER JABONG, ANALYSES THE COMPANY’S RISE IN THE COUNTRY

By **HARICHANDAN ARAKALI**



Q What helped Xiaomi’s rise in India in a short period of three-plus years?

We were a small, young startup with competitors that had thousands of employees working for them for over a decade. Now, we have either overtaken them or reached the same level with just 300 employees. So, of course, a lot of things have gone right for us.

First, the ability to bring to the market really high-end, high-quality products at very affordable prices. That is the core. If you’re not able to do that, nothing else will help. Redmi Note 4 is a great example.

This year, all the top three selling phones in India are Xiaomi’s. Note 4 is No 1, No 2 is Redmi 4 and No 3 Redmi 4A. For each of these phones, we were able to do something remarkable. For example, phones with similar specifications as the Redmi Note 4 were being sold at ₹25,000 to ₹30,000. We were able to launch it—with 4GB RAM, 64GB internal storage and Snapdragon 625 processor—at ₹13,000. We launched a 10,000 mAh power bank on November 21, our first made-in-India power bank. It has a lithium polymer battery, and a full PCB [printed circuit board] inside, providing nine levels of protection. The case is made of anodised aluminum, versus the plastic bodies of competing products. And we have launched it at ₹799.

The second thing that has worked for us is our investments and commitment to India. We have two big factories now [Foxconn’s facility in Sri City in Andhra Pradesh] and have launched a third [in collaboration with contract manufacturer Hipad Technology in Noida] for power banks. We have set up an R&D centre in Bengaluru, we’re designing features specific to India, we’ve set up three big call centres in India—in Indore, Bengaluru and Chennai. We also have five big warehouses—two in Bengaluru, two in Delhi-NCR and one in Mumbai—26 smaller warehouses, and more than 600 service centres across the country. A lot of infrastructure development has happened over the last three years. And we’ve brought the entire ecosystem to India: Whatever we’ve done in China, we’ve done here. Infrastructure, R&D, services, logistics, we’ve built end-to-end and that has helped us a lot.

“Three years ago, while everybody wanted to go offline, we wanted to go online. And even when we went offline, we did it differently.”



“Whatever we’ve done in China, we’ve done here. Infrastructure, R&D, services, logistics, we’ve built end-to-end and that has helped us a lot.”

“Our aim is not to make money from hardware, but from our software, our internet services, and MIUI (Xiaomi’s phone operating system, based on Android).”

Manu Jain says the company’s business model has helped bring down costs drastically without compromising on quality

NISHANT RATNAKAR FOR FORBES INDIA

The third thing is our innovative business model. If you look at other brands, they make money from hardware. Our aim is not to make money from hardware, but from our software, our internet services, and MIUI (Xiaomi's phone operating system, based on Android).

Our business model has helped us bring down costs drastically without compromising on quality. We have just-in-time manufacturing, whatever we produce every week we sell every week, and the leanest distribution structure in the country. We have had a very low marketing budget for the first three years. Now, we've started doing a few things, we've had a few TV ads, we're working with actor Katrina Kaif on the Redmi Y1 series.

We cut down all these costs to pass on the benefit to our customers, and, of course, we had very little margin. We make money from the internet. We make small amounts over a long period of two to three years, rather than as a one-time amount. It's a difference of philosophy and of business model.

Three years ago, while everybody wanted to go offline, we wanted to go online. And even when we went offline, we did it differently. In Bengaluru, some competitors will have their phones available in 1,000 stores. We are selling only through 50 stores and we have close to 25 percent market share in the offline part in Bengaluru. So we've gone very deep, instead of wide. Today, every other phone sold online in India is a Xiaomi and overall, in India, we have 23.5 percent market share (July-September 2017 period).

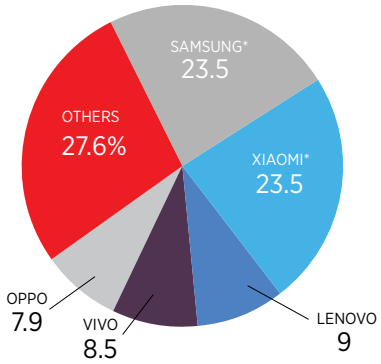
Q You also have an active fan base and community.

We've built an Mi community with 2 million active users, who discuss not just Xiaomi products but also everything related to technology, including various products from other makers and internet companies. The app has had a million downloads. We now have official Mi fan clubs in 20 locations, with office bearers, and they meet and discuss and help us spread the word about Xiaomi.

We've started college chapters. We have one in IIT-Madras, and we're setting up more in many of the big colleges in the country. The last thing, of course, is the team—only 300 people with an average age of 29. At 36, I'm considered to be an oldie. Many of them have joined without any functional experience, and have risen to the challenges placed in front of them.

I myself didn't have a mobile- or smartphone-industry experience, and when the Xiaomi founders recruited me, they were pretty happy with that. They were expecting me to have an internet mindset and background instead.

TOP FIVE SMARTPHONE COMPANIES IN INDIA (2017 Q3 UNIT MARKET SHARE %)



*If the difference between the market share of two vendors is 0.1 percent or less, it is considered a tie

Source: *International Data Corporation, 2017*

Q About becoming more of an internet company, in China you are quite big on that front. Where are you at in India?

[Holding up his phone] This is a theme we partnered with [the makers of] *Justice League*. We have a lot of apps in India. Xiaomi has its own browser and there are paid icons as well, which if a user clicks on, will result in Xiaomi getting a bit of money. We have content services as well, with ads interspersed.

If you search for Xiaomi on the Google Play Store, there are multiple apps. Users have organically downloaded many of them, from a calculator to the TV remote control app to Mi Wi-Fi, MiHome and Mi Community. Many of these have been downloaded in the millions, so we're basically building a full ecosystem of apps and services. The aim is to eventually make money from these apps, services and MIUI rather than just from hardware.

Just like we have a big content library and service in India, at some point, we will also launch a content service, which will add revenue via content downloads, pay-per-use services and so on. And because we have a local content business team here, we believe we can provide really good customised services to fans on our browser and app store. It's still early days for us, and we've started focusing on the internet services only recently, so give us a few quarters.

Q Xiaomi's founder Lei Jun recently spoke about investing a billion dollars in India. How would it help you expand your ecosystem here?

We have already made a few investments in India. Hungama Digital Media Entertainment and KrazyBee, a fintech company, are two that we've publicly mentioned. But there are a few more as well, with the total being in the high single digits. In China, we have invested in more than 300 companies and probably a few billion dollars. In India, we'd like a similar ecosystem of companies building mobile apps, technologies or services that can be integrated into our phones.

The broad aspiration of Lei Jun is that he would like to invest in about 100 companies in India, give or take, collectively becoming a strong portfolio of mobile tech and services businesses over the next five years. If you think about it, 100 companies and a billion dollars mean an average of $10 million per company, which makes it a realistic aspiration. F

Forbesindia.com

The homepage for India's most influential

Forbesindia.com is India's most authoritative and influential web address, bringing you definitive lists of achievers, cutting-edge entrepreneurial ideas and sharp business and financial analysis. Spanning topics related to wealth creation, buzzing startups and iconic enterprises, thought leadership, philanthropy, lifestyle and technology, Forbesindia.com influences the country's most influential and keeps India ahead in business.

Forbes INDIA

INSTACART

Delivering the Goods

When his top rival bought his largest customer, Instacart's ***Apoorva Mehta*** *cheered. It turns out he wasn't crazy*

BY BIZ CARSON



TIMOTHY ARCHIBALD FOR FORBES

CEO Apoorva Mehta bet Instacart could help grocers fend off Amazon. Now he must prove he was right

As the obits piled up, Apoorva Mehta couldn't help but shake his head. It wasn't his death that the press was heralding, but that of his startup, Instacart, a five-year-old grocery and retail delivery service valued at $3.4 billion. That morning in mid-June, Amazon stunned the world by announcing its purchase of Whole Foods for $13.7 billion. As shares of grocery chains plunged, many in the tech press noted that few had more to lose than Instacart. Whole Foods was not only an Instacart investor but also its biggest customer at the time, accounting for nearly 10 percent of sales.

Even as pundits turned on him, Mehta, 31, says he felt nothing but vindication. For years he'd been telling grocery chains they should prepare for an all-out assault from Amazon. Services like AmazonFresh and a plan for its own futuristic brick-and-mortar grocery store were only the beginning, he warned. While Mehta hadn't expected the Whole Foods purchase—no one had, it seems—that only made his pitch more urgent. As Whole Foods executives broke the deal news to Mehta and Instacart's chief business officer, Nilam Ganenthiran, in a 6 am call, the two messaged each other with thumbs-up emojis.

As if on cue, Mehta's and Ganenthiran's phones began ringing and lighting up with text messages shortly after—and they didn't stop all day. It was execs from grocery chains, including some of the ones whose stocks were cratering, calling to talk business. "Every major grocery retailer in the country was calling us," Mehta says. That morning in San Francisco, he stood in front of Instacart's 300 employees and told them it was time for war. Within months, Costco announced that it was deepening its partnership with Instacart and would offer delivery directly from the Costco.com website. After discussions that spanned four years, grocery giant Kroger inked a deal for Instacart to deliver from its Ralphs subsidiary. Several smaller chains also signed up, bringing Instacart's partner count to more than 165. "It really was like a thermonuclear bomb against the entire grocery industry," Mehta says of the Amazon deal. "When we look back, that may have been a turning point for Instacart."

Instacart has more than 500,000 customers and approximately $2 billion in revenue, according to *Forbes* estimates. (The company, which counts the full price of customer orders as revenue, declined to comment.) Though it started out as a service that catered to affluent big-city dwellers, the company is seeing increasing success in smaller regional markets like Buffalo, New York. Today the average Instacart shopper uses it twice a month and spends $95 per order. Instacart Express customers, who pay an annual fee of $149 for free deliveries, end up spending $5,000 a year on Instacart and order at double the frequency of its average customers.

Instacart has over 500,000 customers and approximately $2 billion in revenue

The company says it's prioritising growth over profits for now. But Instacart says it has reached gross-margin profitability—a measure that excludes costs like headquarters, employees and marketing—in over 80 percent of its markets. The company has raised $675 million from storied investors like Khosla Ventures and Sequoia Capital, in addition to Whole Foods. It still has more than $500 million in the bank, suggesting a relatively low burn rate.

Mehta's idea for Instacart was sparked by bad memories of grocery shopping as a kid. Growing up in Canada, he hated having to take the bus in winter to pick up groceries and lug them back home. After studying engineering at the University of Waterloo, near Toronto, he worked in fulfilment logistics at Amazon. Two years later Mehta moved to San Francisco to try his hand at entrepreneurship. After two years of hashing out ideas, he settled on a personal shopper that would go to the store, purchase what you want and deliver it to your door.

Mehta launched the service in 2012 and applied to Y Combinator, the prestigious Silicon Valley accelerator that hatched giants like Airbnb and Dropbox. He was rejected because the application deadline had passed. Undeterred, Mehta used Instacart to deliver a six-pack of IPAs to a Y Combinator partner. Within 30 minutes, he was asked to come in for an interview and the next day was accepted into the programme. Shortly after, he closed a seed investment round.

Even as a Y Combinator graduate and with some financing under his belt, Mehta faced lots of scepticism. Silicon Valley hadn't forgotten about Webvan—perhaps the biggest blowout of the first dotcom era. In its attempt to build a giant grocery-delivery business, Webvan became a symbol of internet hubris, burning through more than $800 million on its way to bankruptcy. In one pitch meeting, an investor handed Mehta a floppy disk with Webvan's business plan on it, telling him to study it. Mehta says he never found a floppy drive to read it.

While both Webvan and Instacart were built on a popular idea, their business models never had much in common, says Sequoia's Michael Moritz, who invested in both. "Consumers, given the option of being able to order groceries online very easily and very simply, will flock to it," he says. Unlike Webvan, Instacart never built massive

THE ROBOT GROCER

Online pioneer Ocado is further ahead than anyone else in figuring out how to fully automate grocery shopping and delivery

Less than two feet below the roof beams of a warehouse in Andover, in the southwest of England, hundreds of robots are swarming above a giant block that's as wide as a football field and three storeys high. It's a hive of groceries—thousands of plastic boxes, many layers deep—stocked with everything from grapes to shampoo to cat food.

Ocado built and runs this hive, and it could make one for you, too, if you're game.

With about $1.4 billion in 2016 sales, the British ecommerce firm is the world's largest online-only grocery chain. Founded in 2000, some 12 years before Instacart, it has since innovated its way through brutally complex logistical problems. "We're dealing with 50,000 kinds of products, three temperature regimes, products that have to be segregated," says CTO Paul Clarke. Machine-learning software calculates all these aspects of the giant block—and in four dimensions when it factors in the time cucumbers go out of date. "We're bumping up against Moore's Law," he adds, which is why Ocado plans to eventually use a quantum computer to power the algorithms.

Ocado's robots zoom around the top of the block like rooks on a chessboard, sometimes within half a centimetre of each other. If one needs to reach a box four levels below, others shift the ones on top within seconds. The bot then zooms down to a picking station to meet a rare commodity here: A human.



Ocado seeks to eliminate humans entirely from its highly automated warehouses

Ocado's employees still have a role putting the groceries into plastic bags. But that'll change soon enough. Ocado's engineers are working on a robot hand that can carefully handle different types of fruit. They'll be installed in Ocado's new plant, opening in south London next year, set to be three times the size of its warehouse in Andover. In nearby Greenwich, Ocado is testing driverless delivery trucks. Ocado's co-founder and CEO, Tim Steiner, recently told analysts who had toured the Andover warehouse that "every human touch point is designed to one day be replaced by a robotic solution".

The analysts ate it up. "Ocado could even become lower cost than a customer doing their own shopping in stores," gushed Credit Suisse's Stuart McGuire to his clients.

Ocado is part of the reason why people in the UK purchase more of their groceries online than those in any other country besides South Korea. Small delivery trucks bearing the Ocado logo often trundle through Britain's suburbs, along with those from rivals Tesco, Sainsbury's and Morrisons. The latter is the first chain that plans to use Ocado's hive. Clarke says "multiple deals" will follow soon. "We're talking to retailers in every continent except Antarctica."

—Parmy Olson

warehouses or operated fleets of cold-storage vans. Adopting an asset-light model, Mehta first built an app that let customers shop from established retailers—charging a delivery fee and, at least initially, a slight markup. Instacart kept a cut for itself and paid the shopper.

It wasn't until after the company launched in Chicago that a grocer first approached Instacart to talk about its business. At one point the retailer asked Mehta how much it would have to pay to be featured on Instacart. Mehta hadn't realized that there was extra profit to be made from partnerships.

Four years later, those partnerships make up a significant percentage of revenue. More than 80 percent of orders are placed with partners, up from less than 20 percent three years ago. Instacart hit upon a new revenue stream last year, with coupons and free samples from consumer-packaged-goods companies looking to advertise to its customers.

There should be plenty of room for Instacart to continue growing. Only 7 percent of Americans buy groceries online, according to NPD Group. Following the Amazon-Whole Foods deal, the $850 billion grocery market's shift to online is certain to accelerate, says Forrester analyst Ananda Chakravarty. "You're going to see a lot more grocers not just getting into understanding the online space but also getting to understand their customers better."

For his part, Mehta seems keenly aware that success can quickly turn to defeat when competing with Amazon. "What keeps me up at night is that I don't want us to squander this opportunity," Mehta says. After all, he doesn't want those obits to have been prophetic. F

JASON ALDEN / BLOOMBERG



Forbes INDIA
GET INFLUENCE.
GET RICH. GET EVEN.

To subscribe SMS **FORBES** to **51818**



"We look to generate crazy, over-the-top, exciting data that is great for patients," says Loxo CEO Josh Bilenker, pictured alongside chief business officer Jacob Van Naarden (left)

DAVID YELLEN FOR FORBES

HEALTH CARE

One Patient at a Time

Companies large and small are competing to attack rare genetic mutations that cause cancer. The reason? Great science and high drug prices. The result? Soaring stock prices

BY MATTHEW HERPER

Allan Brandt, a 63-year-old history of medicine professor at Harvard, seems taken aback to have become part of medical history himself. In 2012, he was diagnosed with acute myeloid leukaemia, a deadly cancer that had a potential cure: A bone marrow transplant. His sister was a match, and he went through the two-month-long ordeal twice, only to have the cancer return. "No one is going to do well with a third transplant," he says grimly.

He was saved by a hot biotech trend: Medicines that are targeted to a protein made by a particular gene,

LITTLE BULLSEYES

For smaller biotech firms, drugs that target rare mutations are an appealing market, and their stocks jump when they release positive patient data

COMPANY	2016 SALES ($MLN)	2016 LOSS ($MLN)	DATA DAY STOCK POP (%)	STOCK INCREASE SINCE IPO (%)	MARKET CAP ($BLN)	THE SHOT:
Loxo Oncology	**$0**	-72	58[1]	**581**	2.6	Founded by a former FDA reviewer, aimed to find drugs with impressive effects, no matter how rare patients who could benefit were. The first results, targeted against cancers caused by a mutation called TRK, made Wall Street's eyes pop out.
Blueprint Medicines	**28**	-72	0.23[2]	**283**	2.8	For its first medicine, this rare-cancer company is going after a type of tumour called GIST that was first treated with Gleevec, one of the first targeted cancer drugs. The drug is being tested in a genetic subtype where existing drugs don't work. The same drug is being tested in another disease, mastocytosis.
Ignyta	**0**	-104	28[3]	**51**	1	Many companies try to focus their drugs on one genetic change. Ignyta's entrectinib is more like a Swiss Army knife: It targets TRK, ROS1 and ALK, and has shown potential in more than one disease.
Agios	**70**	-198	30[4]	**106**	3.1	Agios, run by biotech veteran David Schenkein, focuses on the metabolism of cancer cells. It has one drug, marketed with Celgene, on the market, and another on the way, both for acute myeloid leukaemia.

[1]6/5/17; [2]6/5/17; [3]10/18/17; [4]4/7/14. Sources: *Factset; company documents.*

BIG SHOTS

Huge pharmas are also interested in cancer patients with genetic mutations. Drugs to treat them can be multibillion-dollar sellers. But it's hard for one drug to move the needle for mega-cap stocks

COMPANY	2016 SALES ($BLN)	2016 PROFIT ($BLN)	PIONEERING TARGETED DRUG	5-YEAR STOCK INCREASE (%)	MARKET CAP ($BLN)	THE SHOT:
AstraZeneca	**$23**	3.4	Iressa, for lung cancer	**45**	85	Iressa was pulled from the market in 2005, only to return in 2015 for a targeted population. Next up: Calquence, for a rare lymphoma.
Novartis	**49**	6.7	Gleevec, for leukaemia	**36**	217	Gleevec, one of the first targeted rare-cancer pills and one of the most successful, is now generic. But Novartis doubled down on targeted cancer drugs by buying GlaxoSmithKline's cancer business in 2015.
Pfizer	**53**	7.2	Xalkori, for lung cancer	**44**	211	Sells the $600 million lung-cancer drug Xalkori and is working on a follow-up, lorlatinib, which will compete with smaller companies like Ignyta and closely held TP Therapeutics.
Roche	**51**	9.7	Herceptin, for breast cancer	**21**	201	Roche owns Genentech, the targeted-cancer pioneer. Its Herceptin, for breast cancer, was the first major cancer drug paired with a diagnostic test. Tarceva, for lung cancer, had one added years after approval.

Sources: *Factset; company documents.*

often discovered by sequencing the cancer's DNA. Sometimes they work in only a small number of people, requiring diagnostic testing. In Brandt's case, Agios Pharmaceuticals, just a 15-minute ride from his Harvard office, had a drug that targeted a genetic mutation he was lucky enough to have. Only a few thousand of the 21,000 people diagnosed with AML each year do.

"This drug wasn't available at all when I got sick," Brandt says. "In the period of my illness, I've been able to get access to what I consider to be a lifesaving medication, and I've returned to health. As somebody who starts with a basic scepticism about medical technology and therapeutics, I have to say there are real possibilities for patients in these new developments."

What drives drug companies to invest in markets of just a few thousand people? Speed is one reason—big benefits for very sick people mean smaller, shorter



"There is not going be a silver bullet. There's going to be a series of drugs that will lead to some pretty dramatic change," says Agios chief executive David Schenkein

MATT FURMAN FOR FORBES

studies. One Agios drug, Idhifa, was approved by the Food & Drug Administration just four years after clinical trials started—a process that typically takes 12 years. Another reason to invest is price. Agios licenced Idhifa to Celgene, which charges $25,000 a month for it. (Brandt gets his medicine for free, because he's in a clinical trial.)

The other reason is that the science is exploding, and the combination of better odds of success and faster timelines is drawing drug developers like moths to a flame. Josh Bilenker, an FDA-reviewer-turned-venture-capitalist at Aisling Capital, decided to focus on such drugs exclusively when he founded a company, Loxo Oncology, in 2013, selecting gene "targets" where there was good evidence they would prove effective, even if only in patients with a rare mutation. "Hit the target really hard, define your patients and just work like heck on the clinical-regulatory side," Bilenker says.

The strategy paid off in June, when Loxo's first drug presented stunning results: Of 50 patients who took it, 38 had their tumours shrink. (Updated results show tumours shrinking in 44 out of 55 patients.) The drug, larotrectinib, was tested against a rare mutation called TRK, which can produce tumours in the lungs, skin and brain. And Loxo took another unprecedented step. It had already started developing a second drug for patients whose tumours had become resistant to the first, so when patients are failed by the company's first medicine, another option will be at the ready. It's been tested in two patients.

Loxo shares are up 175 percent so far this year, thanks to the excitement about larotrectinib and two other rare-cancer medicines it is developing. Other companies taking the rare-disease approach are doing equally well. Ignyta, which is testing a drug called entrectinib that targets TRK and a rare mutation called ROS1 that is a cause of lung cancers, is up 190 percent. Blueprint Medicines, focussed on drugs targeting other rare mutations, including a type of digestive-tract cancer, is up 150 percent. But Agios's story should make investors cautious. That company's shares are up 100 percent since its 2013 initial public offering, but down 50 percent from their high in January 2015. The results can be so great, investors forget how small the target markets are.

"Our obligation is to question every dogma in drug development."

Another problem: How will doctors find all these patients whose cancers have rare genetic mutations? That will involve using a diagnostic test—often a fancy, high-tech DNA sequencer—on the tumours of every patient who has been failed by standard medicines. Right now this happens mostly at major academic centres. Foundation Medicine in Cambridge, Massachusetts, is seeking FDA approval for a standardised test. Thermo Fisher Scientific—the laboratory tools company—and Illumina are also developing new diagnostic tools. "For the first time I think we can see the tide shifting on both the quality of testing and [patients'] access to it," says Jacob Van Naarden, Loxo's chief business officer. "It feels like it's tangibly in sight but not here yet."

Small companies aren't the only ones playing. The first big targeted drugs came from giants like Novartis, Pfizer and AstraZeneca, all of which are in the mix. "There is this Talmudic concept that the way to save humanity is one life at a time," says José Baselga, the physician-in-chief at Memorial Sloan Kettering Cancer Center. "Our obligation is to question every dogma in drug development." F

Network 18



WISDOM • POWER • INFLUENCE

NOW AT YOUR FINGERTIPS

Download the Forbes India App
on your iPad today.

Cell18

1 yr subscription	Cover Price	You Pay	You Save	Discount
iPad App	2900	1599	1301	45%



To download the App, visit Newsstand or the Magzter Store.
Or subscribe through www.forbesindia.com

INDIA Forbes

STRENGTH TO STRENGTH

A Sy starts a new business; the Ambanis are the new No 1

By **GRACE CHUNG**

Asia's wealthiest business dynasties remain successful by producing new generations that push the company in often surprising directions. But some scions have such an entrepreneurial bent that they need to chart their own path away from the family firm, at least when they're young.

One example is 29-year-old Howard Sy, a grandson of Henry Sy, the patriarch of the Philippines' richest family. A former investment analyst, Sy started a 24-hour self-service storage company called StorageMart a year ago, anticipating that the country's condominium boom would create a demand for storage space. It now operates two facilities in Metro Manila and boasts 100 customers. "It cost me my entire personal life savings... plus three and a half years of my analyst salary," he says.

The Sy family ranks No 9 on *Forbes Asia*'s third annual ranking of Asia's wealthiest business families, with a fortune of $20.1 billion, up 57 percent in a year. Indeed, 43 clans on the 2016 list added to their net worth over the past year. A key reason: Asia's stock markets jumped 25 percent overall for the year ended October 31, according to the MSCI AC Asia Index. Collectively, the 50 families on our list are worth a record $699 billion, up 35 percent.

No family highlights this surge better than the Ambanis of India, this year's biggest gainer in dollar and percentage terms. Their net worth rose by $19 billion, to $44.8 billion, superseding the Lees of the Samsung empire to claim the No 1 spot. That perch was always occupied by the South Korean family, which still saw its wealth soar by $11.2 billion.



ROMEO RANOCO / REUTERS

Henry Sy, owner of SM Prime Holdings and patriarch of the Philippines' richest family, with wife Felicidad Sy

For the third time, India enjoys the biggest presence in the ranking, with 18 families. Hong Kong follows with nine. Among the six clans making the top 50 for the first time are the Chey family (No 39) of South Korea's SK Group, known for its wireless service provider, SK Telecom.

The ticket to entry this year is $5 billion, some $1.6 billion more than in 2016. Some families couldn't keep pace: The Aboitiz clan of the Philippines and the Koos of Taiwan both fall short by small margins.

The list is a snapshot using stock prices and currency-exchange rates as on November 3. Private companies are valued by comparing them with similar companies that are publicly traded. For a family to qualify, at least three generations must have participated in building the fortune.

Additional reporting: Yinan Che, Shu-Ching Jean Chen, Muhammad Cohen, Russell Flannery, *Forbes Indonesia*, Jane Ho, Naazneen Karmali, Luisa Kroll, Anis Muslimin and Anuradha Raghunathan

SPOTLIGHT



Power of prayer: Kwok returning to prison, Bible in hand, in June after his final appeal was rejected

THOMAS KWOK: BRIEF REPRIEVE

Real estate tycoon Thomas Kwok, former co-chairman of Hong Kong-listed developer Sun Hung Kai Properties, returned to prison in June after his final appeal was rejected. In 2014, he was sentenced to five years in connection with a corruption case and was released on bail in July 2016. Since 2014, one of his two brothers, Raymond, has been the sole chairman of Sun Hung Kai. Despite the legal defeat for Thomas, the group achieved a record $6.7 billion in sales under contract for the year that ended in June, an increase of 28 percent over the previous 12 months. The group has been expanding in China, where nearly 60 percent of its 120 million square feet in properties are located. The two brothers ousted their eldest brother, Walter, in 2008, and he now runs his own real estate firm. Patriarch Kwok Tak-Seng co-founded Sun Hung Kai & Co with Fung King Hey and Lee Shau Kee in 1969 and three years later set up Sun Hung Kai Properties on his own.

BOBBY YIP / REUTERS

1. AMBANI
$44.8 billion ▲
INDIA

Shares in Mukesh Ambani's conglomerate Reliance Industries soared in the past year thanks to better refining margins and the demand produced by its telecom arm, Reliance Jio. The oil-and-gas tycoon sparked a price war in India's hypercompetitive telecom market with the launch of the 4G service Jio in 2016. Since then, Jio has notched up close to 140 million subscribers (Reliance also owns Network18, a licensee of Forbes Media). His younger brother Anil's Reliance Communications called off a proposed merger with Aircel, controlled by Malaysian billionaire Ananda Krishnan, due to regulatory delays, then went on to shut down its 2G services altogether. Their father, Dhirubhai Ambani, worked at a Yemen gas station and traded spices and yarn before his Reliance Textile Industries launched the popular Vimal textile brand in India. After their father's death in 2002, Mukesh and Anil had a falling out, and their empire has since been divided.

2. LEE (BYUNG-CHULL)
$40.8 billion ▲
SOUTH KOREA

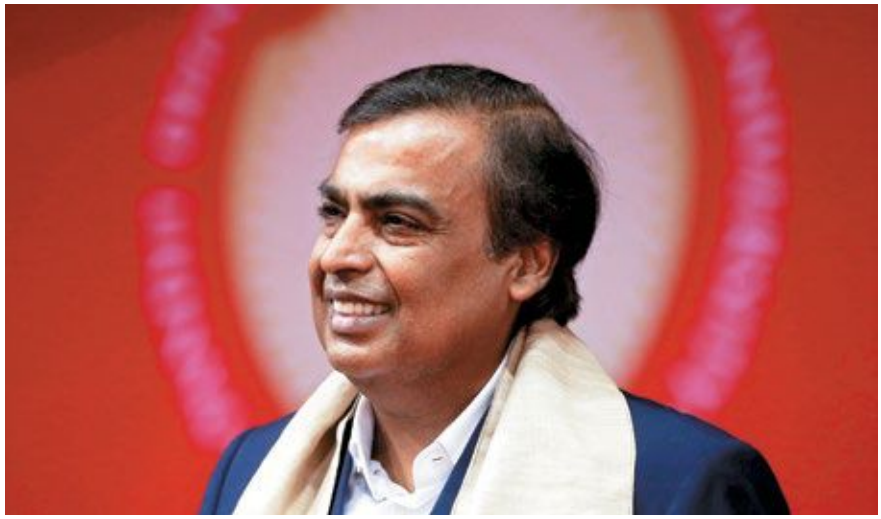
Sprawling family derives nearly 45 percent of its fortune from Samsung Electronics. Chairman Lee Kun-Hee, son of the business's founder, remains in a coma after suffering a heart attack in 2014. His only son and heir apparent, Jay Y Lee, was sentenced to five years in prison in August for his role in the political scandal that saw South Korea's former president Park Geun-hye ousted; he denies the bribery and embezzlement charges and is appealing. Despite this, shares of the electronics giant are up by 75 percent over the past year.

3. KWOK
$40.4 billion ▲
HONG KONG

Asia's richest real estate family controls Sun Hung Kai Properties; the former co-chairman of the group, Thomas Kwok, returned to prison after a final appeal was rejected. (See *page 73*)

4. CHEARAVANONT
$36.6 billion ▲
THAILAND

The family behind Charoen Pokphand (CP) Group, one of the world's largest producers of animal feed and livestock, got a nearly $9 billion boost to its wealth partly due to a surge in the value of its holding in Chinese insurer Ping An, whose shares jumped on rising income and bond yields. The business dates back to 1921, when brothers Chia Ek Chor and Choncharoen Chiaravanont opened a shop selling seeds imported from China to Thai farmers. Today the group is led by Chia Ek Chor's son Dhanin, who is senior chairman and shares the fortune with his three brothers and other relatives. After 48 years as chairman and CEO, in January, Dhanin Chearavanont crowned his eldest son, Soopakij, 53, and the youngest, Suphachai, 50, as CP's chairman and CEO, respectively.



AMIT DAVE / REUTERS

Mukesh Ambani's Jio 4G service has sparked a price war in India's telecom industry

5. HARTONO
$32 billion ▲
INDONESIA

Indonesia's richest clan is upping its bet on banking, increasing its holding in Bank Central Asia (BCA) to 55 percent, up from 47 percent, in April. BCA now represents two thirds of the fortune. The Hartonos bought an initial stake in the bank from the Indonesia Bank Restructuring Agency, after the Salim family (No 27) lost control of the bank during the 1997–1998 Asian economic crisis. The family made its first fortune with hand-rolled kretek cigarettes. Djarum, named after the needle of a gramophone, is still one of the biggest makers of clove cigarettes. Brothers Budi and Michael control the family's holdings, which also include popular electronics brand Polytron and prime real estate in Jakarta, but the third-generation heirs are stepping up with roles at BCA and Djarum.

6. LEE (SHAU KEE)
$29 billion ▲
HONG KONG

Patriarch Lee Shau Kee, who remains Henderson Land Development's chairman, says he will retire gradually. His son Martin oversees the family's real estate giant Henderson Land as vice chairman. Son Peter, also a vice chair, takes care of operations in China, while daughter Margaret is also an executive. The third generation is poised to join executive ranks, and the eldest grandchild, Kristine Li, now looks after the mall business. Shau Kee moved to Hong Kong from China's Guangdong Province in 1948 and initially traded in precious metals and currencies. He co-founded property firm Sun Hung Kai with two partners but eventually parted ways with them to found Henderson Development in 1973. Lee also has interests in hospitality, gas and investments.

7. KWEK/QUEK
$23.3 billion ▲
SINGAPORE, MALAYSIA

More than 15 family members control Hong Leong Group, a conglomerate with interests ranging from finance to property. The family traces its fortune back to 1941, when Kwek Hong Png founded the company with three brothers. Hong Png's eldest son, Kwek Leng Beng, runs operations in Singapore. Grandson Sherman will take over as chief executive of the family's City Developments in January.

▲UP ▼DOWN ★NEW TO LIST

SPOTLIGHT



Tung Chee Chen



Tung Chee Hwa

TUNGS: SHIP SHAPE

Brothers Chee Hwa and Chee Chen make their debut on the list thanks to the pending $6.3 billion sale of the family's Orient Overseas International to Chinese rival Cosco Shipping. The stock, of which the brothers own two thirds, has soared by 158 percent over the past year. The shipping and logistics outfit was founded by their father, the late CY Tung, in 1947. It had $5.3 billion in revenue last year and has 330 offices in 70 countries. The firm also has interests in property.

PHOTOGRAPHS: BOBBY YIP / REUTERS



A young Lakshmi Mittal was sent to Indonesia by his father, where he set up a steel plant

BENOIT TESSIER / REUTERS

Leng Beng's cousin Quek Leng Chan runs the group's Malaysia dealings.

8. CHENG
$22.5 billion ▲
HONG KONG

Patriarch Cheng Yu-tung died in September of last year. Four years earlier, he had installed eldest son Henry as chairman and executive director of family-controlled jeweller Chow Tai Fook and conglomerate New World. Interests range from communications to casinos. Henry's daughter Sonia oversees hospitality and acquired top-end Rosewood Hotels in 2011. Son Adrian runs New World and started C Ventures, funding fashion-focussed Chinese companies that cater to millennials. Henry's brother Peter heads New World China Land, which holds much of their father's $16 billion mainland China property portfolio. The elder Cheng worked at the original Chow Tai Fook in Macau and married the boss' daughter before settling in Hong Kong.

9. SY
$20.1 billion ▲
PHILIPPINES

Henry Sy, the Philippines's richest person, started out with a small shoe store in Manila and built it into mall developer SM Prime. The family's SM Investments Corp is now the Philippines's largest retailer, with over 200 outlets. His six children are all involved in management, and his grandchildren also have active roles. Grandson Howard recently started his own venture, StorageMart, a self-storage company in Makati, Philippines.

10. CHIRATHIVAT
$19.3 billion ▲
THAILAND

The retail clan is behind mall developer Central Group, which gets 30 percent of its $9.6 billion revenue from overseas. Led by Tos Chirathivat, grandson of the group's founder, it is stepping up its online presence; it owns the Thailand unit of Rocket Internet-backed fashion site Zalora. It also has a $500 million joint venture with China's JD.com to invest in commerce and fintech ventures. In 1927, Tos's grandfather Tiang Chirathivat, a poor immigrant from China, set up his first shop in Bangkok, named Keng Seng Lee. In 1956, Tiang's son Samrit opened the country's first department store, in the Wang Burapha neighbourhood of Bangkok.

11. PREMJI
$19.2 billion ▲
INDIA

The family's Wipro started out in 1945 making cooking oil. Chairman Azim Premji abandoned his studies and took over the business when his father, Mohamed Hasham Premji, died in 1966. His expansion into software brought the family riches. Today it is India's third-largest technology outsourcer, with $9 billion in sales. Wipro has an innovation centre in Silicon Valley focussed on developing new technologies and collaborating with startups. Son Rishad heads strategy at Wipro and has a board seat.

12. HINDUJA
$18.8 billion ▲
INDIA, UK

Four close-knit brothers control the Hinduja Group, which has businesses that include trucks, lubricants, banking and cable TV. The group was started by their father, Parmanand Deepchand Hinduja, who traded goods in the Sindh region of India (now Pakistan), then moved to Iran in 1919, where the group was headquartered until his four sons moved the base to London and Geneva in 1979. The youngest sibling oversees its Indian interests from Mumbai. Seven members of the third generation work in the group.

13. TSAI (WAN-TSAI, WAN-LIN)
$17.7 billion ▲
TAIWAN

Brothers Wan-Tsai and Wan-Lin founded Cathay Insurance in 1962. A family dispute led them to split in 1979: Wan-Lin (died 2004) took Cathay, and Wan-Tsai built Fubon. Wan-Lin's son Hong-tu now leads Cathay Financial Holdings, Taiwan's biggest lender; Hong-tu's sons are executive vice presidents at the company and also have roles at subsidiary Cathay United Bank. Wan-Tsai's sons Daniel and Richard have been running Fubon since his death in 2014. A third-generation member leads Fubon Sports & Entertainment.

14. MITTAL
$17.2 billion ▲
INDIA

Lakshmi Mittal's ArcelorMittal, the world's biggest steelmaker, acquired Italy's loss-making steel group Ilva, together with Italian steelmaker Marcegaglia, for $2.1 billion in June. Mittal's father, Mohan Lal, started the family's steelmaking business in the 1950s. Facing constraints at home, he sent Lakshmi to Indonesia in 1976, where he set up a steel plant. Lakshmi eventually separated from his siblings and founded Mittal Steel, which merged with Arcelor in 2006. His daughter

▲UP ▼DOWN ★NEW TO LIST

RECIPE FOR SUCCESS

An oyster-sauce business that started in 1888 during imperial China's twilight is growing by leaps and bounds in the internet age. It has survived two rounds of bitter splits in the family fortune, gained strength through four generations of invention and is now prospering with new ventures in healthy food, real estate and fitness mobile apps.

The Lee Kum Kee brand boasts a lineup of more than 200 different sauces—soy, shrimp, chilli, Japanese, panda, you name it—but the wealth it has created is now concentrated in one branch of the family, headed by 88-year-old Lee Man Tat. *Forbes Asia* estimates that fortune at $8.4 billion, putting it at No 30 on our list of Asia's most successful business families.

The modern-day success owes much to critical decisions that Lee took in the late 1990s: Expanding into China by opening two factories in Guangdong Province; and setting up a Chinese-herbal-ingredients unit, LKK Health Products.

All five of Lee's children—Eddy, David, Charlie, Sammy and Elizabeth—have worked in the Hong Kong-based business. He passed on the management reins of the mainstay sauce business to Charlie, who oversees a sprawling distribution network in more than 100 countries that's supported by five factories—in China, Hong Kong, Malaysia and Los Angeles. Sammy heads LKK Health Products.

It was Lee Man Tat's grandfather Lee Kum Sheung who stumbled on a recipe to make the world's first oyster sauce. Then a 26-year-old oyster hawker in a village in today's Zhuhai, next to Macau, he overcooked his oysters by accident. What he got from the bottom of a burnt wok was a thick yet delicious paste of dried oysters and sauce. He named it Lee Kum Kee sauce, and it proved to be popular with a wealthy clientele.

But it was not the best of times. China's imperial court was trying to reinvent itself militarily and culturally to counter assertive foreign forces on its borders. The operation survived by moving to Macau in 1902 and then to Hong Kong in 1932. Today, though, it ranks among the top three sauce makers on the mainland. Chinese astronauts used its sauces to spice up cold meals in outer space during four excursions, including one last year.

In August, the family accelerated its move into Europe with the $1.7 billion acquisition of a skyscraper known as the Walkie Talkie, whose three-floor rooftop Sky Garden has become a popular attraction in central London. Sammy said the purchase was made "to expand our global presence through strategic investments." The deal set a record for a standalone office building in the UK and is the crown jewel in a trove of real estate purchases, including ones in mainland China and Hong Kong.

—Shu-Ching Jean Chen



The grandfather of Lee Man Tat (seated, with son Sammy) burnt a batch of oysters and created a delicious fortune as a result

Vanisha is chief strategy officer of the steel producer Aperam, and son Aditya is ArcelorMittal's chief financial officer.

15. KUOK
$16.6 billion ▲
MALAYSIA, SINGAPORE

Robert Kuok founded the Kuok Group as a commodities trader in 1949. Today it owns the luxury Shangri-La hotel chain, whose Asia division is headed by one of his sons. Another son leads Asia's largest operator of offshore oil-and-gas exploration vessels, PACC Offshore Services Holdings, and a third son is director at Kerry Logistics. In December 2015, Robert sold his stake in Hong Kong's *South China Morning Post* to Alibaba for $265 million. The group also has a stake in palm oil giant Wilmar International, which Robert's nephew Kuok Khoon Hong co-founded. The third generation is active in several of the group's companies.

16. MISTRY
$16.1 billion ▲
INDIA

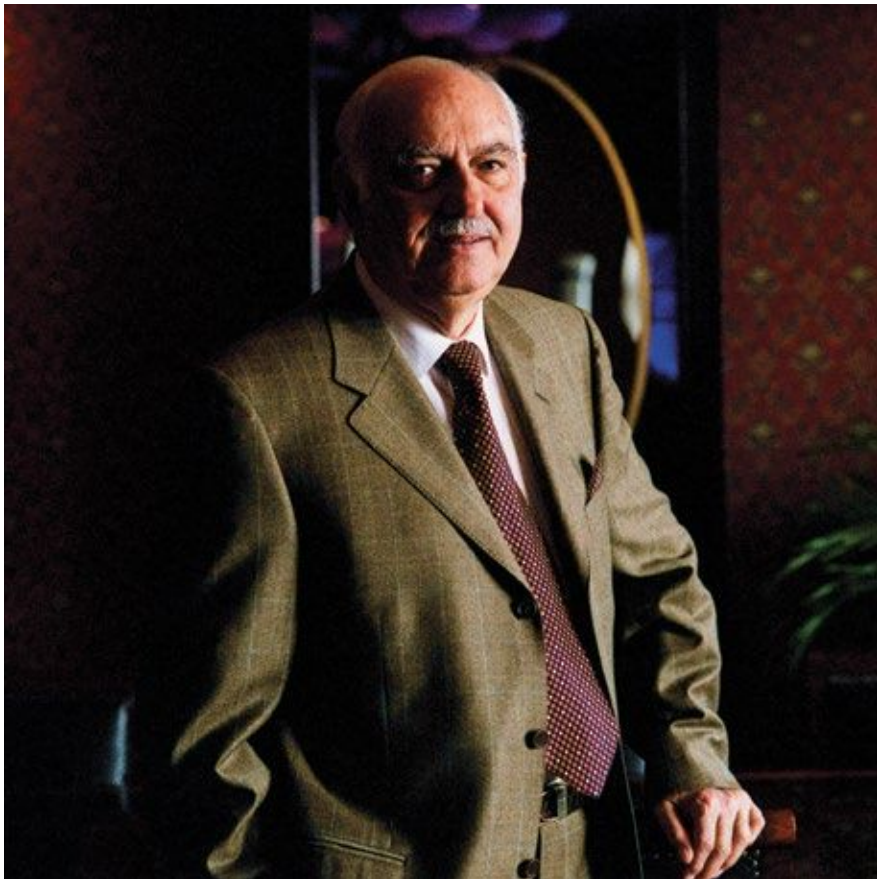
The family's 152-year-old construction giant, Shapoorji Pallonji Group, was founded by Pallonji Mistry in 1865 and later built a reservoir on Mumbai's tony Malabar Hill that supplied water to the city's residents. His son Shapoorji went on to acquire a minority stake in Tata Sons, the holding company of the now-$100 billion (revenue) Tata Group. As the third-generation heir, Pallonji, named after his grandfather, secured lucrative contracts in India and in the Gulf, notably in Muscat, where he built the palace of the Sultan of Oman. In 2012, he handed over command to his son Shapoor. Younger son Cyrus is embroiled in a legal battle with the Tata group after being suddenly ousted as chairman of Tata Sons in October 2016.

17. CHUNG
$14.8 billion ▲
SOUTH KOREA

Bulk of family's fortune is controlled by Hyundai Motor Chairman Chung Mong-Koo and his heir apparent and only son, Eui-Sun. Before becoming the vice chair of South Korea's largest auto company, Eui Sun worked at the New York office of Japanese trading house Itochu and was later the president of Kia from 2005 to 2009. Starting with an auto repair shop in Seoul in the 1940s, Mong-Koo's father Chung Ju-yung built Hyundai Group into the country's largest conglomerate before it spun off major units in 2000. Today these entities, including Hyundai Motor, Hyundai Department Store, Hyundai Heavy Industries and KCC, are helmed by second- and third-generation members.

▲UP ▼DOWN ★NEW TO LIST

VIKAS KHOT



Pallonji Mistry, named after his grandfather, secured lucrative contracts in India

18. SAJI
$14.2 billion ▲
JAPAN

In 1899, Suntory founder Shinjiro Torii began producing Western-style liquors. His son, Keizo Saji, took over in 1961 and transformed Suntory into a multibillion-dollar company with diverse interests. Nobutada Saji, the founder's grandson, chairs the company. The heir apparent, fourth-generation member Nobuhiro Torii, is a director at Suntory Beverage & Food.

19. BIRLA
$14.1 billion ▲
INDIA

Kumar Birla chairs the $41 billion (revenue) Aditya Birla Group, a commodities empire with interests spanning cement, aluminum, telecom and financial services. Birla inherited the family empire in 1995 at the age of 28 when his father Aditya Birla died. In March, Birla announced the merger of his telecom Idea Cellular and Vodafone India in a $23 billion deal. Almost a century ago, his great-grandfather, Ghanshyam Das Birla, set up a jute mill, marking the family's entry into manufacturing.

20. GODREJ
$14 billion ▲
INDIA

The clan is behind the $4.6 billion (revenue) Godrej Group, a 120-year-old consumer-goods giant. Listed Godrej Consumer Products is chaired by group patriarch Adi Godrej's younger, Harvard-educated daughter Nisaba. The business was established by lawyer Ardeshir Godrej, who gave up his profession to make locks in 1897. He launched the world's first soap product made from vegetable oil in 1918. His brother Pirojsha acquired land in Mumbai, still the family's biggest asset.

21. PAO
$13.4 billion ▲
HONG KONG

When shipping tycoon YK Pao died in 1991, his businesses were split among his four daughters, whose husbands took the helms. The bulk of the family fortune is controlled by Bessie's husband, Peter Woo, who chaired property and logistics conglomerate Wharf until 2015; their son Douglas, a former UBS bank analyst, chairs the holding company, Wheelock & Co, after having served as director and managing director. Helmut Sohmen, who married Anna, ran maritime firm BW Group until 2010; their son Andreas has taken charge. Cissy and her husband look after Japanese insurance, trading and industrial goods firm Cornes & Co. Doreen and her husband manage the family's private money.

22. YOOVIDHYA
$13.1 billion ★
THAILAND

The family traces its fortune to the late energy-drink tycoon Chaleo, who in 1987 co-founded Red Bull with Austrian Dietrich Mateschitz, a former marketing executive. By the time of his death in 2012, his interests spanned hospitals, real estate and sports teams. Eldest son Chalerm now heads the group, whose flagship Red Bull sold 6 billion cans worldwide in 2016. The clan owns 51 percent of that business, 2 percent of which is held directly by Chalerm. Brother Saravoot is Red Bull Thailand's managing director. Chalerm's son Varit is involved in the family's winery and Ferrari dealership. Another son, Vorayuth, is wanted by Interpol for his alleged involvement in a fatal hit-and-run case dating back to 2012.

23. KADOORIE
$11 billion ▲
HONG KONG

Most of the family's fortune stems from CLP Holdings; a unit supplies electricity to 80 percent of Hong Kong's population. Jewish Iraqi immigrant Sir Elly Kadoorie co-founded China Light & Power in 1901. His grandson Michael is now chairman of both. The family's well-conserved Kadoorie Farm & Botanic Garden in Hong Kong, chaired by Michael's brother-in-law Ronald McAulay's son Andrew, provides educational experiences for visitors and undertakes biodiversity restoration in the city and South China.



Rishad Premji (No 11) heads strategy at Wipro and has a board seat

24. WIDJAJA
$10.4 billion ▲
INDONESIA

The wife of patriarch Eka Tjipta Widjaja died in February. A Chinese immigrant to Indonesia, Widjaja, 94, got his start selling biscuits as a teen. Today his Sinar Mas has interests in paper, real estate, financial services, agribusiness and telecom. It recently set up an oleochemical plant with Spanish company Cepsa on the Indonesian island of Riau. His son Franky runs palm oil giant Golden Agri-Resources while son Oei Hong Leong manages his own investments from Singapore.

25. NG
$9.7 billion ▲
SINGAPORE

Brothers Robert and Philip Ng control Far East Organization, Singapore's largest private landlord and property developer. The group was founded by their late father, Ng Teng Fong, who moved from China to Singapore in 1934 and came to be known as "The King of Orchard Road". Their Hong Kong arm, Sino Group, is overseen by older sibling Robert and his son Daryl, while Philip oversees the Singapore interests. The brothers are staunch Christians and refer to Far East as a Christian enterprise.

26. BAJAJ
$9.3 billion ▲
INDIA

The 91-year-old Bajaj Group has interests ranging from two-wheelers to financial services and sugar. The family fortune is up, partly thanks to a run-up in shares of Bajaj Finserv, its finance arm run by Sanjiv Bajaj, son of chairman Rahul Bajaj. Rahul's grandfather Jamnalal, a close ally of Mahatma Gandhi, founded the group in 1926. Jamnalal's eldest son, Kamalnayan, took over in 1942 and expanded into manufacturing, notably scooters. His younger sibling Ramkrishna took charge in 1972 until

SPOTLIGHT



Chey Tae-Won

SEONGJOON CHO / BLOOMBERG VIA GETTY IMAGES

CHEYS: POST-PARDON

The Chey family of the SK Group, one of South Korea's largest conglomerates, makes its debut on the list as shares in SK Hynix—a supplier of computer-memory chips—doubled after it announced it would acquire a stake in Toshiba Memory in a $3.5 billion deal. Head honcho Chey Tae-Won was serving a three-year sentence for embezzlement but was pardoned by the former president and returned to the group last year. Chey's younger sister, Chey Ki-Won, has chaired SK's Happiness Sharing Foundation since 2009. SK began as a textile company in 1939; it now has 23 affiliates with interests in telecommunications, information technology and energy.

his death in 1994, when the baton passed on to Rahul. Cousins Niraj, Shekhar and Madhur run various group companies. Rahul's brother, Shishir, runs his separate consumer-goods empire and also has interests in energy.

27. SALIM
$8.8 billion ▲
INDONESIA

The family's conglomerate, Salim Group, bought a majority stake in Bank Ina Perdana earlier in 2017, nearly 20 years after losing control of Bank Central Asia (BCA) during the financial crisis. Anthoni Salim, who runs the group, still has a stake of more than 1 percent in the Hartono-controlled BCA. The family also paid more than $200 million for a coal mine in Australia and bought the company behind ecommerce outfit Elevenia in recent months. The group partnered with South Korea's Lotte Group to launch ecommerce outfit iLotte, and Anthoni's son Axton teamed up with Singapore's NUS to launch incubator Block71 in Jakarta. Liem Sioe Liong (died 2012), Anthoni's father, was known to have ties to Suharto before he became president in 1967.

28. KOO
$8.7 billion ▲
SOUTH KOREA

The electronics giant LG Corp accounts for nearly 70 percent of the clan's fortune. The biggest shareholder, chairman Koo Bon-Moo, lost his only son in 1994 and adopted nephew Koo Kwang Mo, who is in line for succession. The family's interests span chemicals, telecommunications, fashion and machinery. In 1947, Koo In-Hwoi co-founded Lak Hui Chemical Industrial Corp, starting with a popular face cream. A packaging problem drew criticism, prompting In-Hwoi to pivot to household products. His son Koo Ja-Hak is married to Lee Sook-Hee, daughter of the late Samsung founder.

29. LOHIA
$8.68 billion ▲
INDONESIA, THAILAND

Two Lohia brothers control the family fortune. Sri Prakash, who co-founded the petrochemicals powerhouse Indorama with his father in Indonesia in 1975, is group chairman. Son Amit, group managing director, handles day-to-day operations. SP's younger brother, Aloke, heads Bangkok-based Indorama Ventures, a petrochemical giant. In November, Indorama agreed to buy Tata Chemicals' phosphatic fertiliser business for $58 million.

30. LEE (MAN TAT)
$8.4 billion ★
HONG KONG

The family behind Lee Kum Kee, the world's largest maker of oyster sauce, debuts on the list. (See *page 49*)

▲UP ▼DOWN ★NEW TO LIST



SEONGJOON CHO / BLOOMBERG VIA GETTY IMAGES

Chung Eui-Sun (No 17), heir apparent to the Hyundai Motor behemoth, was president of Kia from 2005 to 2009

31. LAW
$7.8 billion ▲
HONG KONG
As chairman of Park Hotel Group, Law Kar Po, the fourth of six children, oversees the most valuable branch of a family fortune stemming from the textile trade of his father, Law Ting-pong. Law Kar Po's son Allen is CEO of Park Hotel, headquartered in Singapore and managing 16 properties in 11 Asian cities. Daughter Wendy, a lawyer, is executive director of Park Capital Group and oversees the clan's real estate investment.

32. JINDAL
$7.68 billion ▲
INDIA
The family is making a foray into the paint business. (See *page 56*)

33. MORI
$7.6 billion ▼
JAPAN
Heirs to the fortune of real estate tycoon Taikichiro Mori (died 1993), who founded Mori Building Co in 1959. Sons Akira and Minoru parted ways in 1999. Minoru ran Mori Building until his death in 2012. His widow, Yoshiko Mori, owns part of the company. Son-in-law Hiroo Mori is executive vice president. Akira chairs Mori Trust, which operates 101 buildings and 21 hotels, including the Shangri-La and Marriott in Tokyo.

34. TSAI (ENG-MENG)
$7.1 billion ▲
TAIWAN
Chairman Eng-Meng built Want Want China from the small trading company his father founded in 1962 into one of China's largest snack suppliers, known for its chilled milk and rice crackers. Eng-Meng's son Shao-Chung is a director, son Wang-Chia chief operation officer and nephew Cheng Wen-Hsien a director. The family also owns Taiwanese daily newspaper *China Times* and invests in financial services and hotels.

35. BURMAN
$7.05 billion ▲
INDIA
Five branches of the clan share a fortune stemming from the consumer goods giant Dabur. In 1884, SK Burman, an ayurvedic practitioner, concocted medicine for diseases such as cholera and malaria.

▲UP ▼DOWN ★NEW TO LIST

AMIT VERMA



Siddhartha Lal moved to London in 2015 to expand Eicher Motors' global presence

His son CL Burman set up Dabur's first R&D unit and expanded manufacturing. In the 1930s and 1940s CL's two sons took charge. Chairman emeritus Vivek Chand Burman is the oldest member of the founding Burman family and represents the fourth generation. His nephew Anand, the current chairman, used to manage the pharmaceutical division and led the company's foray into growing its own herbs. Vivek's sons Mohit and Gaurav are involved in a slew of privately held ventures ranging from sports and health care to financial services and real estate.

36. LAL
$7 billion ▲
INDIA
The clan's majority-owned Eicher Motors enjoyed record sales of its iconic Royal Enfield motorbike, selling 666,493 units in its latest fiscal year. Former head Vikram Lal's son Siddhartha, who runs the show at Eicher, moved to London in 2015 to expand the company's global footprint. Vikram's father, Man Mohan Lal, founded a tractor shop called Goodearth Co in 1948; a decade later he partnered with German firm Eicher, renaming the business Eicher Tractor. Royal Enfield is the oldest motorcycle in continuous production, dating to 1901.

37. BANGUR
$6.7 billion ▲
INDIA
The family got a boost in its fortune thanks to its most successful member, Benu Gopal, whose Shree Cement, one of India's most efficient cement producers, saw rising sales and profits. Son Hari Mohan and grandson Prashant now run the company. The Bangurs's story begins with brothers Mugneeram and Ramcoowar, who got their start in commodities and stock trading. With succeeding generations, the family

ALMOST THERE

RICH, BUT NOT RICH ENOUGH



From pharma to power: Samir and Sudhir Mehta inherited the Torrent Group from their father

The price of entry into the list of Asia's Richest Families is a hefty $5 billion this year, meaning that many of Asia's most successful business families are not quite rich enough to make the cut. Here are three notable ones:

THE CONSUNJIS

The Philippine family controls power, real estate and infrastructure giant DMCI Holdings. David Consunji, a former concrete inspector, founded it as a construction company in 1954; he died this September. His son Isidro now heads DMCI and its subsidiary Semirara Mining, while four other members of the clan, including sons Victor, Jorge and Herbert and daughter Luz, sit on the board. Semirara Mining is the nation's largest coal-producing company, accounting for 90 percent of total coal production in the Philippines.

THE KESWICKS

This Hong Kong family operates conglomerate Jardine Matheson and its nine subsidiaries, specialising in car dealerships, property, restaurants, insurance and luxury hotels. The business dynasty's history stretches back to 1832, when Scots William Jardine and James Matheson founded JM&Co as a tea-and-opium trading company in Canton (now Guangzhou). Today, fourth-generation scion Sir Henry Keswick chairs Jardine, while his nephew Ben is the managing director. Henry's other nephew Adam and brother and former chairman Simon are also on the Jardine board. Jardine House, the company's portholed tower on the harbour front, served as the headquarters for the fictional company in the 1988 television miniseries, *Noble House*.

THE MEHTAS

Brothers Sudhir and Samir inherited the $2.9 billion (revenue) Torrent Group from their father, the patriarch Uttambhai Nathalal, a former pharmaceutical salesman who started it as a pharmaceutical company. Sudhir led the Indian group's expansion into power when it acquired ailing Mahendra Cables in the 1980s and, with two state-owned utilities, formed the listed Torrent Power. It generates electricity for more than 3 million customers in Gujarat and neighbouring states. Torrent Pharma is run by younger sibling Samir. Sudhir has two sons, Jinal and Varun, with the former being a director at Torrent Power, where he heads the company's distribution operations.

—Anis Shakirah Mohd Muslimin

MEXY XAVIER

SPOTLIGHT



Parth Jindal

PRASAD GORI

JINDAL: IN THE PAINT

The JSW Group, headed by Sajjan Jindal, is looking to enter the $7 billion Indian paint market through its privately held JSW Paints. The paint company, to be launched next year, will be spearheaded by Jindal's only son, 27-year-old Parth Jindal. The Jindals are setting up two plants and investing more than $150 million. Analysts say this will be a hard market to crack, but Parth looks at paint as a logical addition because the group is already in the cement and steel businesses. The scion, who holds an MBA from Harvard Business School, heads the group's cement business while his father runs the steel operation. Papa Jindal, whose father started the business, is busy scouting for distressed steel assets. The family ranks No 32 on the list, and its $7.68 billion fortune includes a holding in Jindal Steel & Power run by Sajjan's younger brother Naveen.



Prashant Bangur, along with father Hari Mohan, now run Shree Cement

diversified into jute, paper, cement and power. In 1991, they split up the vast conglomerate among five heirs.

38. KHOO
$6.4 billion ▲
SINGAPORE

Bulk of the family fortune comes from selling its stake in Standard Chartered Bank for $4 billion in 2006. Khoo Teck Puat co-founded Malaysian Maybank in 1960. He followed in the footsteps of his father, Khoo Yang Thin, who invested in several Singapore banks that in 1933 merged with the Overseas Chinese Banking Corp, where Teck Puat got his start in banking. He invested in Standard Chartered in 1986 and bought Goodwood Park and other hotels. His daughter Mavis Khoo-Oei has chaired Goodwood since his death in 2004.

39. CHEY
$6.3 billion ★
SOUTH KOREA

Family behind one of South Korea's top five conglomerates, SK Holdings. Its largest shareholder and chairman, Chey Tae-Won, returned to the group in 2016 after serving a prison sentence. (See *page 80*)

40. WEE
$6.25 billion ▲
SINGAPORE

Founded in 1935, the family's United Overseas Bank is Singapore's third largest by market cap. Chairman emeritus Wee Cho Yaw is son of co-founder Wee Kheng Chiang. Cho Yaw's son Ee Cheong is deputy chair and CEO. Ee Cheong's eldest son, Teng Wen, has ventured into the hospitality sector. Another son, Ee Chao, leads a UOB subsidiary, and son Ee Lim heads Haw Par, maker of Tiger Balm.

41. SEHGAL
$6.15 billion ★
INDIA

The Sehgal family debuts on the list thanks to its flagship subsidiary and India's largest auto-components maker, Motherson Sumi Systems, whose shares have surged by 65 percent over the past year. Chaired by Vivek Chaand, who co-founded the company with his mother in 1975, the company partners with Japan's Sumitomo Wiring Systems, managing 230 factories with operations in 37 countries. Its clients include Volkswagen, BMW, Mercedes, Ford and Toyota. Vivek's son Laksh Vaaman was appointed CEO of subsidiary Samvardhana Motherson Reflectec in 2009 to revitalise the company and left in 2014. Today the 34-year-old is the director and heir of Samvardhana Motherson Group.

42. WADIA
$6.14 billion ★
INDIA

Family of Indian conglomerate Wadia Group, a cookies-to-aviation empire, has roots in shipbuilding dating back to 1736, when it was founded by Lovji Nusserwanjee Wadia. His company went on to build 355 ships, including the first ships for the British navy outside England. He secured contracts with the British East India Co to build ships and docks in Bombay. Today Nusli Wadia, Lovji's descendant, is the group's chairman. His sons Ness and Jehangir sit on the board of food company Britannia Industries, the group's flagship. Other group companies include home-textiles company Bombay Dyeing and budget airline GoAir. The family also has prominent political ties: Nusli is the grandson of Pakistan founder Muhammad Ali Jinnah.

43. ZOBEL
$6.13 billion ▲
PHILIPPINES

Seven siblings control more than one third of Ayala Corp, one of the Philippines's oldest companies, run by members of the seventh generation. The business started as a small Manila distillery and is now a holding company for Ayala Land, Bank of the Philippine Islands, Globe Telecom and Manila Water. Jaime II is chairman and CEO, brother Fernando president and chief operating officer. The family also has stakes in San Miguel, the largest publicly listed food, beverage and packaging company in Southeast Asia. Inigo Zobel, Jaime's cousin, sits on San Miguel's board.

44. SINGH
$6.1 billion ▲
INDIA

Raghvendra Singh started his career as a civil servant in 1935. Five years later, he volunteered to join the Indian Army. After the war, Singh built homes for the population displaced by the partition, forming DLF in 1946. Son-in-law Kushal Pal (KP) Singh left an army posting in 1961 to join DLF. Today KP

▲UP ▼DOWN ★NEW TO LIST

ARINDAM MUKHERJEE



Ajay Piramal, of the Piramal Group, started out in his family's textile business at the age of 22

JOSHUA NAVALKAR

chairs the Bombay Stock Exchange-listed company. In August, he sold his one third stake in DLF's rental arm to GIC, Singapore's sovereign wealth fund, for $1.9 billion. KP's son Rajiv Singh is vice chairman of DLF.

45. PATEL
$6 billion ▲
INDIA

The family controls the $1.5 billion (revenue) Cadila, among India's top five generics makers, headquartered in Ahmedabad. Chaired by pharmacy graduate Pankaj Patel with his son Sharvil as managing director, the company traces its origins to Pankaj's father and former pharmacy professor Ramanbhai Patel, who with Indravadan Modi co-founded Cadila Laboratories in 1952 to make vitamins; the duo split the business in 1995 as the second generation became involved.

46. KWEE
$5.5 billion ▲
SINGAPORE

The four Kwee siblings control privately held Pontiac Land, which owns an array of luxury hotels and iconic office towers across the island-nation. The company was founded by their Indonesian father, Henry Kwee, a textile trader and real estate developer, who migrated to Singapore in 1958. In New York, the brothers are building an 82-storey tower beside the Museum of Modern Art, where the price of apartments ranges from $3 million to more than $70 million. The Kwees are also building a resort complex in the Maldives. Their joint venture with Perennial Real Estate Holdings for the landmark Capitol Singapore project is under dispute.

47. PIRAMAL
$5.38 billion ▲
INDIA

The clan's biggest asset is Piramal Enterprises with interests mainly in health care and financial services. In 1977, at the age of 22, head honcho Ajay Piramal started out in his family's textile business, founded in 1934 by his grandfather Piramal Chatrabhuj. Ajay's father, Gopikrishna Piramal, died suddenly in 1979, and five years later, he lost an older brother to cancer, prompting him to take over. Ajay diversified and expanded into pharma, acquiring Nicholas Laboratories in 1987. In 2010, he sold his domestic formulations business to Abbott Labs for $3.8 billion. Older brother Dilip controls luggage maker VIP Industries with daughter Radhika. Sister-in-law Urvi Piramal chairs and runs Peninsula Land, flagship of the Ashok Piramal Group, named after her late husband.

48. MUNJAL
$5.37 billion ▲
INDIA

Brijmohan Lall Munjal, founder of India's biggest motorcycle maker, Hero MotoCorp, started off in bicycle parts in 1944, along with three brothers. They went on to manufacture bicycles, moving into mopeds and then motorcycles after forging a partnership with Honda Motor in 1984. In 2010, the family split four ways, with Brijmohan's faction getting control of the Honda JV. A year later, the Munjals ended that 27-year pairing and parted ways with Honda. Brijmohan died in 2015 at the age of 92 but had long since handed the reins to his sons. The eldest, Pawan, chairs and runs Hero MotoCorp.

49. TUNG
$5.2 billion ★
HONG KONG

Brothers Chee Hwa and Chee Chen are newcomers to the list thanks to the pending sale of the family's shipping giant Orient Overseas International. (See *page 47*)

50. LO
$5 billion ▲
HONG KONG

The property clan behind the Great Eagle Group is feuding over a trust.



Forbes INDIA
GET INFLUENCE.
GET RICH. GET EVEN.

To subscribe SMS **FORBES** to **51818**

FIRESIDE VENTURES

Stoking the Retail Surge

*With his new fund, Fireside Ventures, **Kanwaljit Singh** is betting big on consumer product companies*

BY SAYAN CHAKRABORTY

Like it was for Harland David Sanders, who founded Kentucky Fried Chicken at 61, or Bernie Marcus who took to entrepreneurship with The Home Depot at 51, age is just a number for Kanwaljit Singh, who started a ₹300-crore fund, Fireside Ventures, at 52. For a man with three decades of a professional career behind him—the first half as a marketer at Hindustan Lever (now Hindustan Unilever) and Intel Corp, and the next as an investor in early stage startups—Singh shows no signs of slowing down, at an age when many contemplate retirement.

If that was not enough, Singh, unlike most of his peers, is not chasing technology startups but is devoted to building consumer brands. "For every five large chains, there are 50 local retailers like [the Bengaluru-based supermarket chain] MK Retail," says Singh, founder, Fireside Ventures. "The fact that a consumer can walk into an aisle and touch and feel a product is a huge positive for new brands waiting to be discovered."

Singh's focus on consumer brands is not misplaced: India's retail industry is poised to grow by 12-14 percent annually to $1,150 billion by 2020, from $672 billion in 2016, says a June report by CARE Ratings.

Macroeconomic factors also hint at a similar surge. For instance, between FY12 and FY17, India's per capita disposable income surged by 62 percent to ₹1,19,296.

Riding this wave are retailers such as Future Retail, Avenue Supermarts, Aditya Birla Retail and Reliance Retail, which are expanding their footprint (among them, the four companies operate 5,050 stores, says the CARE report). And local stores are adopting the supermarket model to hold fort against bigger players, resulting in a plethora of city-specific supermarket chains with five to 10 stores each. Adding to this are 100 million online shoppers (according to Assocham estimates), on an ever-expanding list of online retail platforms.

Singh quit his first venture Helion when it began to focus mostly on tech firms

Singh first earned his stripes as an investor during a six-month stint in 2000 at the now defunct venture capital firm At India, founded by PepsiCo India veteran Ramesh Vangal, which invested in value-added services startup OnMobile and internet services company Purple Yogi. Next was a four-year stint between 2001 and 2005 at the venture capital arm of The Carlyle Group, where Singh backed LearningMate, Sharekhan and Educomp, among other ventures.

In 2005, he quit Carlyle when the management decided to shift it to private equity, foregoing early stage deals in favour of writing larger cheques. "It is not very well known that I had decided to raise an early stage fund after quitting Carlyle. I called it Sunrise Capital. The idea was to raise $25 million, but I would have started with even a smaller amount," says Singh, laughing.

"I was simultaneously discussing a fund with Ashish [Gupta, former Amazon executive] and Sanjeev [Aggarwal, founder of Daksh, a BPO which he sold to IBM] and Rahul [Chandra, former Walden International executive], and eventually decided to work with them," says Singh, recalling the beginning of Helion Venture Partners, which the quartet co-founded in 2005.

Around 2014, in the run-up to their fourth fund raising, the team at Helion wanted to focus on technology. Singh, however, wanted the focus to be as much on consumer product companies.

"Honestly, at Helion, we could never really build an internal consensus around the consumer space, despite the work we were doing to build an investment thesis [around consumer brands]. When we started talking about the next fund, the general consensus was, 'Let us not confuse our investors, and focus on pure technology play'," says Singh.

The other partners, however, had their reasons to be bullish on technology startups. The ecommerce wave had hit Indian shores, and Helion's portfolio



Kanwaljit Singh, founder, Fireside Ventures has unearthed gems like iD Fresh Food

featured MakeMyTrip and redBus, two early ventures that fetched handsome returns for investors, apart from promising ones likes TaxiForSure (later acquired by Ola), Babyoye (acquired by Mahindra retail), ngpay (sold to Flipkart), BigBasket and ShopClues.

These investments had outshone offline bets like restaurant chain Mast Kalandar or beauty chain YLG Salon. Singh says that between 2013 and 2014, Helion passed on investment opportunities in 50-odd consumer product companies, including outdoor equipment maker Wildcraft and dairy startup Milk Mantra, which operates the Milky Moo brand. Both these brands turned out to be successful ventures: Wildcraft currently has a revenue run-rate of about ₹500 crore, while Milk Mantra has raised more than $25 million in funding.

It had seemed that technology could do no wrong. "One of the reasons [why most VCs didn't invest in consumer companies] was that their background was very technology-driven. A consumer company is a different animal and it requires a different skill set, not just to evaluate, but also to add value," says Ash Lilani, managing partner at Saama Capital. "Secondly, there was a perception that technology companies will yield greater financial returns." By the winter of 2014, Singh had convinced himself to part ways with Helion and left the firm next March.

Fireside Ventures, started in 2015, wasn't meant to be a venture capital fund. "I did not have any desire to raise another fund. The whole idea was that Fireside would be my own money, you can call it family office or angel investing, and a one-man show," explains Singh. "But I did not want to do this as my side job. I would work with startups as if I was running an institutional fund, which meant I would be actively engaged, take board seats, etc."

Over the next 18 months, Singh invested between ₹25 lakh and ₹1 crore in early-stage funding of 20-odd startups, including protein bar manufacturer SproutLife Foods, lingerie startup Buttercups, Vahdam Teas, meat etailer Licious, rural ecommerce enabler Storeking and fashion startup FableStreet.

In 2015 and 2016, the rah-rah days of consumer internet were drawing to a close, with investors, wary of the lack of exits, tightening their purse strings. But this was also the time when some of Sequoia Capital's and Matrix Partners' early bets on consumer brands yielded good results: In 2016, Matrix scored a multi-bagger by selling its stake in TCNS Clothing, which owns womenswear brand W; Sequoia Capital hit a home run with Prataap Snacks, which listed on the bourses this September, and Genesis Colors, which owns the Satya Paul label, gearing up for a ₹650-crore IPO.

This apart, buyouts were picking up. For instance, in 2014, European dairy company Lactalis Group bought Hyderabad-based Tirumala Milk Products for about $300 million, and ITC picked up juice maker Balan Natural Foods for about $15 million, while in 2015 Emami Ltd

NISHANT RATNAKAR FOR FORBES INDIA

spent $260 million on Kesh King, and HUL bought Indulekha for about $55 million. More recently, in 2017, Marico picked up a 45 percent stake in men's grooming company Beardo.

These were reasons enough for some of the larger funds to reconsider investing in consumer products. As many as 321 consumer product companies were founded between 2015 and 2017, with investors pumping in about $609 million into the segment in the last three years, according to data from research firm Tracxn. While Sequoia Capital, Saama Capital, DSG Consumer Partners and Fireside Ventures are known to wear their love for the segment on their sleeves, technology-focussed fund Accel Partners was the latest to jump into the bandwagon, leading a $7 million round in Maverix Platforms, which owns the Fingerlix brand.

A buoyant market also prompted Singh to rethink his approach to investment. Angel investment had its own constraints. Singh would struggle to protect his stake in the company—where he would cut the first cheque—in subsequent funding rounds. Also, being a one-man army, he would stretch himself a little too thin to advise his investees. "The trigger to start a fund actually came from Rahul [Garg] at PremjiInvest. He kept telling me, 'Why don't you raise a fund?' The logic was, there has to be an umbrella structure. To build an ecosystem, I would need a team and network," says Singh. "The other person was William Bessel, [founder] of Fabindia. He kept telling me that India needs brand builders."

Garg says a consumer-focussed fund was the need of the hour. "Consumer companies got stuck between angels and PE firms. There wasn't anybody to fund them in between, for them to grow and become a lucrative proposition for PEs. The truth is, if a company survives for three years and clocks annual revenues of $2-3 million, there is enough money chasing them," says Garg, partner at PremjiInvest. "There was a gap in the market for that kind of an investor and Kanwal [Singh] could fill in that void," he adds.

But when, in early 2017, Singh formally hit the road to raise funds for Fireside, things initially did not go according to plan. "I had reached out to some of the investors in Helion, who were our global limited partners. Very quickly, I realised that the concept of early-stage consumer brands, the whole notion of non-technology in India, is still a little less understood in the global context," he says.

But domestic investors, who dabbled in this segment, showed no such reservations. Today, Fireside Ventures is on the last leg of its fund raising. Limited partners feature PremjiInvest, Mariwala Family Office, WestBridge Capital, RP-Sanjiv Goenka Group and Emami.

Consumer brands in India are still not understood by global investors, says Singh

Singh has his plan in place. Fireside aims to follow the '1-4-20' strategy, where the fund will initially invest ₹1 crore in startups to help them scope the market, about ₹4 crore next to expand and subsequently participate in another follow-on round of about ₹20 crore to protect its stake in the company. So far, the fund has invested in eight companies, including Mamaearth and Bombay Shaving Company.

VS Kannan Sitaram, a former HUL and Dabur executive, has joined Fireside as venture partner. Harsh Mariwala, CMD of Marico Ltd, and Amit Agarwal, country manager at Amazon India and global senior vice president at Amazon Inc, have offered to mentor Fireside's portfolios as an advisor.

With a sizeable corpus, and a four-member team in place, Singh is hopeful of unearthing gems such as Hector Beverages, makers of Paperboat drinks—it was his first personal investment in 2009, after Helion declined—or iD Fresh Food, his last investment at Helion later backed by PremjiInvest, which has seen its fortune soaring with its idli and dosa batters.

The contrarian investor that he is, Singh is not one to ponder over Excel sheets and business projections, says Varun Alagh, founder of Mamaearth. "He just wants to see if your vision is right and if you want to build the brand without taking shortcuts. Even today, he doesn't push for numbers and data update. The big thing that he realises, and very few investors do, is that building a consumer product and brand is not an overnight phenomenon."

Neeraj Kakkar, co-founder and chief executive at Hector Beverages, agrees. Singh, to Kakkar, is the sounding board who has the right advice to navigate tough situations. He recalls a time when the company's first manufacturing unit at Manesar was getting delayed; the plant had to start manufacturing by March 2010, but regulatory approvals were nowhere in sight. Kakkar was flustered, and he called Singh. "All he had to offer were comforting words. You aren't afraid to tell him a bad story," says Kakkar. "With him, the difference between an investor and co-founder is blurred."

Singh is mindful of the challenges of building consumer companies, be it fragmented distribution and logistics networks, or the cost of marketing and advertisements. But his belief in the segment hasn't wavered: "In India, most of the consumption is driven by unbranded products, hence the opportunity to build brands in white spaces is very large. Anything which is unbranded now, can be turned into a brand."

Network 18

A DIFFERENT LEAGUE.

Subscribe to Forbes India and get up to 60% savings on the cover price.



Term	Cover Price (Rs)	Discount*	You Save (Rs)	You Pay (Rs)
1 year	4400	60%	2640	1760
2 years	8800	60%	5280	3520
1 year print + digital	8800	60%	5280	3520

*Rounded off

To subscribe: sms "Forbes" to 51818 or
visit www.forbesindia.com/subscription or call 91-22-61214312.

INDIA Forbes

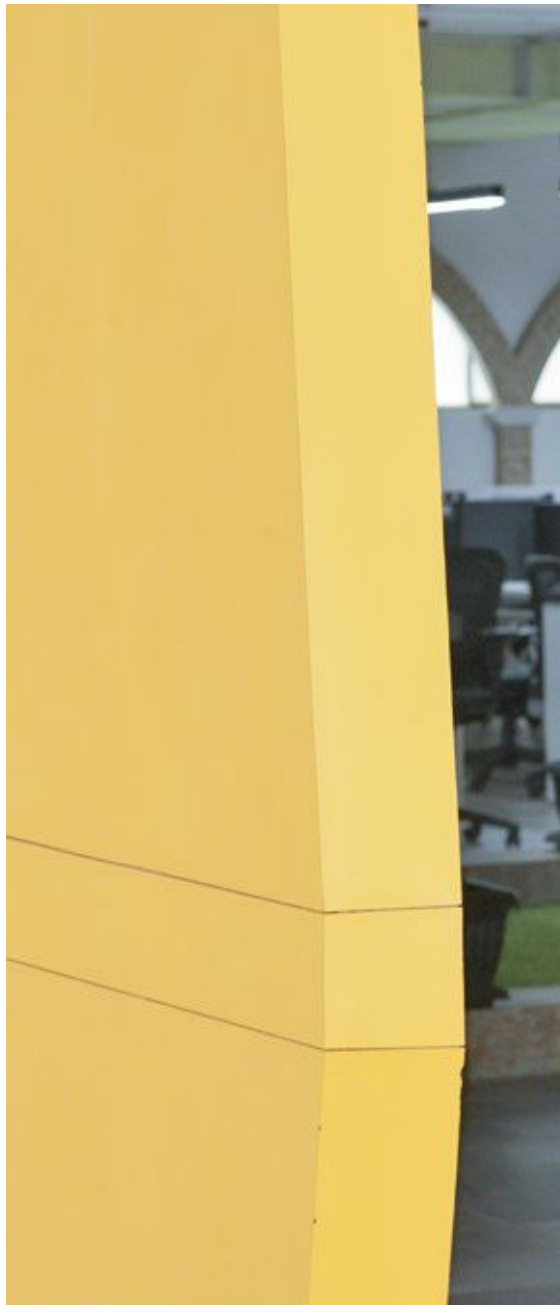
To subscribe, SMS 'Forbes' to 51818.

CAPILLARY TECHNOLOGIES

Clickstreams for the Offline World

In eight years, Capillary Technologies has grown from a small customer relationship management software vendor to a multi-million dollar firm. Now, it's adding artificial intelligence to its retail solutions

BY HARICHANDAN ARAKALI



Imagine this: A woman walks into a store, say a clothes store, and the salesman gets a ping on his Bluetooth earpiece that the woman had bought a button-down shirt in mauve, size medium, two weeks ago at the store. The woman proceeds to browse through a section of formal jackets, and the salesman gets alerts about jackets that might go well with that mauve shirt, or ones that she might buy on impulse, based on her existing profile that an artificial intelligence (AI) engine can tap on the cloud.

That's what Bengaluru-based Capillary Technologies, a cloud-based customer engagement and retail solutions firm, founded in 2008, is now working towards. "What we're trying to do [using facial recognition, speech recognition and other technologies] is create the clickstreams and cookies for the offline world," says Aneesh Reddy, CEO and co-founder, 33. "Like how a website would do, right? You visit a website a second time, it tries to show you something relevant, based on data from your previous visit."

Walk into any of VF Corporation's brands store in India to buy your favourite Lee or Wrangler denims and you will probably be part of such an effort, where Capillary Technologies has just deployed a computer vision-based software to help the retailer better understand consumer traffic and buying patterns.

An in-store traffic reckoner is the first commercial piece in their larger vision of bringing AI to level the playing field between physical stores and online ones.

VisitorMetrix, the traffic counter solution, uses computer vision and machine-learning algorithms to differentiate between store staff and customers, help brands analyse historical store traffic patterns (to determine, say, staffing requirements), as well as give more immediate "responsive data" to changes, says Ganesh Lakshminarayan, COO at Capillary. For example, it can help study the impact of promotional campaigns: Whether a customer to whom an email promotion was sent, perhaps with a discount coupon, visited the store over the next few days.

VisitorMetrix's deployment can also be extended to malls to analyse the effectiveness of their layout and understand crowd circulation better, Lakshminarayan said in a press release on October 8, announcing the launch of the solution.

The larger vision is to use AI to level the field between offline and online stores

Capillary was co-founded by Reddy, along with Krishna Mehra and Ajay Modani, both of whom left in 2015, cashing in their holdings to start their own ventures. The trio initially built a simple mobile-based customer relationship management



Aneesh Reddy, co-founder and CEO of Capillary Technologies

(CRM) software that was a hit because it impacted same-store sales: 70 percent of consumers who were offered loyalty programmes signed up by giving their mobile numbers, Reddy recalls. They went on to build analytics and campaign products—to catch the attention of consumers who hadn't shopped at a given retailer for a while, for instance—and a technology platform to help retailers do everything in one place.

The CRM software has about 300 clients among the big brick-and-mortar retailers in India and many in the rest of Asia as customers. These include names like Biba, Walmart's India business called Best Price, Madura Fashion and Lifestyle, Arvind Limited, Pantaloons, Landmark Group, Pizza Hut, and brands such as Puma, Nautica, Tommy Hilfiger, and United Colors of Benetton.

Supermarket chains such as More, Vishwanath Megamart, Spar Hypermarket and others too are customers. Gross margins are at 65 to 70 percent, and Capillary is aiming to hit $50 million in revenues next year, growing at about 80 percent over the current fiscal. VisitorMetrix, so far, has one client in VF Corporation, which has implemented the software in 300 of its stores in India.

In addition to Capillary's effort at being an early mover in its effort to bring AI to offline retail CRM, one thing that sets them apart is the focus on India and Asia. This itself is a $2 billion market for the type of products and services that Capillary is offering, says Reddy, so, there isn't an urgent need to try and sell in the US. Today, the India versus rest-of-Asia ratio for revenue breakdown is about 1:2. Reddy expects that to shift to 1:4 in the coming years.

Further, "CRM in the B2B space is a solved problem", he says, referring to the volume of such software used by large corporations selling to other large corporations. In the case of retailers selling to millions of individual consumers, there is still plenty of opportunity to solve big and interesting problems, he adds. And accurate, unobtrusive, but effective personalisation is at the top of that list.

Computer vision entails feeding digital images to algorithms that will file them away, attaching all sorts of tags to them that will help bunch them up based on shared characteristics and so on—demographics, for instance, or gender, or all buyers who share striped shirts or what have you.

In practice, this works not by storing actual images on the cloud but the underlying metadata, a technical summary of all aspects of the image. This means the next time a customer walks into a store, facial recognition will kick in by comparing a real-time facial scan with the stored metadata.

This, in turn, can tap into Capillary's existing CRM software and

P ANIL KUMAR FOR FORBES INDIA

provide the store staff a composite view of the customer who has walked in, what he likes, when he last made a purchase of that brand, as well as his online purchase history at the brand's ecommerce site. One reason VisitorMetrix can do this, currently with over 95 percent accuracy, is that the company has purchase data from hundreds of millions of consumer transactions accumulated over the last eight years, says Subrat Panda, a principal architect with Capillary, who has a PhD in computer science.

With the rise of mobile internet and ecommerce, "the consumer today is evolving faster than the brand, and our promise today is to bring the clients up to speed with their consumers," adds Panda, who is leading the company's engineering push into AI-based solutions.

VisitorMetrix is seen as the first step towards realising the bigger idea of Instore Vision, the AI and machine-learning solution that Capillary is building, which will feed on data from computer vision, speech recognition, sales staff interactions, customer care call recordings and so on.

Among the things Instore Vision will do is feed information to an automated virtual assistant that will help sales staff in real time. In physical stores, "there's research to show that the interaction with the store staff is the most influential part of a consumer's decision-making journey," says senior product manager Rohan Mahadar. Instore Vision will also help store managers to better use store staff, plan merchandise and store layout, and so on.

For business managers, Capillary has also built aiRA—short for Artificial Intelligence-powered Retail Assistant—which cuts through the clutter of unwieldy spreadsheets and gets to the insights straightaway, says Anjali Kumari, director for new products at Capillary.

The idea is to automate the generation of information that business managers at retail brands can rely on, adds Kumari, who has a master's degree in computer science and an MBA from Indian School of Business. "What we're looking at is the convergence of online and offline experience for the consumer. Brands are now adopting ways of engaging their customers in a multi-channel form."

CAPILLARY'S PURCHASE CART

COMPANY	SPECIALISATION
MartJack	Tech platform to help offline retailers launch and operate online storefronts on the web and mobile phones
Sellerworx Online Services	Ecommerce technology to help retailers sell on multiple online sites and marketplaces
Ruaha Technology Labs	Cloud-based analytics and recommendation software for retailers
WebEngage (part stake)	Software to slice and dice customer profiles and send them personalised promotions
CloudCherry (part stake)	Real-time analysis of customer sentiment and experience
Exclusife (part stake)	Consumer relationship management for the small retailer

SMALL BEGINNINGS

"We started during a recession," Reddy recalls about how Capillary was incorporated a month after the Lehman Brothers crash in 2008 that set the global financial crisis rolling. He and Mehra had no entrepreneurial experience other than that of setting up the Entrepreneurship Cell at Indian Institute of Technology Kharagpur, from where they graduated in 2006.

After about two and a half years at ITC Ltd, Reddy was ready to take the entrepreneurial plunge, and Mehra, who had spent two years at Microsoft, joined in. They went back to their professors at IIT, and got about ₹15 lakh to get started, in return for a 3 percent stake in the venture. This was from the ₹5 crore that the Entrepreneurship Cell had been set up with, to support new ventures by alumni members. Modani, the third co-founder, joined them about a month into the start of the company.

Of the roughly $80 million that Capillary has raised thus far, about half has been through secondary stake sale, which helped its early investors, including all the angel investors and also many employees, make some good money. This was also how Modani and Mehra exited.

In the most recent funding round that Capillary has made public, the company raised $45 million in September 2015, comprising $40 million from Warburg Pincus, which made the PE firm the largest stakeholder in the company, and another $5 million from Sequoia and others.

The funding valued Capillary in the range of "a couple of hundred million dollars," says Reddy. It also helped Capillary make some useful acquisitions, including MartJack, which helps retailers get an ecommerce presence with their own online storefronts (see table).

There was "a customer base with a clear unmet need", that Capillary was effectively addressing, says Vishal Mahadevia, managing director and co-head of Warburg Pincus in India. Since then, "Aneesh has successfully strengthened the core Capillary product and bolstered the company's product suite, both through acquisitions and organic development."

Capillary is yet to break even, but that is more from expanding business into new promising areas, Reddy says—both into new markets in Asia, such as China, where the Bengaluru company now has a team of 20—and into new products. The idea, he says, is to "release a couple of products every year for the next three to four years."

Network 18



WISDOM • POWER • INFLUENCE

NOW AT YOUR FINGERTIPS

Download the Forbes India App
on your iPad today.

Cell18

1 yr subscription	Cover Price	You Pay	You Save	Discount
iPad App	2900	1599	1301	45%



To download the App, visit Newsstand or the Magzter Store.
Or subscribe through www.forbesindia.com

INDIA Forbes

GUITTARD

The Sweet Spot

Despite little name recognition, San Francisco chocolate maker Guittard has managed to survive competition from both the Davids and the Goliaths

BY STACY PERMAN



Gary Guittard's business has built key relationships, like one with a certain Seattle coffee chain

TIMOTHY ARCHIBALD FOR FORBES

For many, the arrival of Scharffen Berger's bean-to-bar chocolate bars some 20 years ago—with their $10 prices, quirky origin stories and artsy wrappers—marked the starting point of the craft movement in American chocolate. For Gary Guittard, president of Guittard Chocolate, Scharffen Berger's arrival marked something darker. "I smelt something dangerous for us," Guittard says.

Scharffen Berger, using old world artisanal methods and rare cacao beans, upended an industry that had turned to industrialised manufacturing and cheaper ingredients to reduce costs. Over time, Guittard acknowledges, his company and others had "washed out a lot of the flavour in the beans". The marketplace responded to the new brand with wild enthusiasm, says Guittard, 71, who concluded, "I needed to make changes in order to survive."

He spent the next four years experimenting, a process Guittard says nearly did him in. Founded by Gary's great-grandfather in San Francisco in 1868, E Guittard & Co Chocolates & Cocoa survived the 1906 San Francisco earthquake, the Great Depression and the sudden deaths of Gary's father and brother, then the company's president and its designated heir, respectively. The challenge posed by Scharffen Berger was to refine and re-engineer manufacturing techniques to produce the kind of flavour found in artisanal batches but on a larger scale. "I almost

lost my mind trying to duplicate that," he says. "I went back to the way we made chocolate 100 years ago."

In short, Guittard managed to find a sweet spot by using types of beans the company hadn't used in decades, old family recipes and some new processing techniques. He could make chocolate with better quality than the big guys, and he could produce that chocolate in quantities that artisanal makers couldn't match. In the $22.4 billion American chocolate market, Guittard generates more than $100 million in annual revenue, far behind Hershey and Mars, which together make up about three quarters of the US market, but substantially more than small-batch makers like Askinosie, Dandelion and Madécasse (Hershey acquired Scharffen Berger, then generating an estimated $10 million, for a reported $50 million in 2005). Today, Gary says, the company is profitable but chocolate-making remains capital-intensive, and he ploughs an average of 30 percent of profits back into the business each year.

Guittard is the biggest American chocolate company most people have never heard of. It has never established a large retail presence, mostly to avoid competing with core customers like See's Candies, the iconic California confectioner owned by Warren Buffett's Berkshire Hathaway. Guittard began working with See's, its biggest customer, in the 1930s, supplying it first with dark chocolate and then picking up its milk chocolate business four decades later when Nestlé, See's original supplier, began selling branded truffles that competed with See's. "We work very closely with them," says Brad Kinstler, See's CEO. "Our particular chocolate that they produce is critical to our flavour. We have special requirements, and they are able to meet our specifications to a T."

Other clients of Guittard's bars, chips, wafers, sweet-ground chocolate and cocoa powder include Williams-Sonoma, Baskin-Robbins and scores of bakeries, candy makers and chefs—from Thomas Keller to Jacques Torres. Shake Shack puts Guittard in its chocolate frozen custard, and Wolfgang Puck has used it to make his miniature Oscars for the post-Academy Awards Governor's Ball. Two years ago, when the restaurant Untitled opened at the Whitney Museum, Grub Street dubbed its Guittard-based triple chocolate cookie New York's finest. "I like to say, you don't know how much Guittard you've consumed," says Amy Guittard, 35, Gary's daughter and the director of marketing.

Guittard began as many ventures do, with aspirations that shifted dramatically. Gary's great-grandfather Etienne Guittard left his home in Tournus, France, for San Francisco's Barbary Coast, hoping to strike it rich in the Gold Rush. When he found that wealthy miners would pay handsomely for his chocolates, he changed course. Similarly, Gary never planned to work at Guittard, where his older brother Jay was expected to take over. Passionate about the outdoors and adventure sports, Gary went to college in Colorado and then worked in advertising in San Francisco. In 1973, he returned to the fold, "hat in my hand", after being laid off. His father, Horace, told him to work elsewhere and develop a skill, and he landed a job as a food broker, introducing new products to grocery stores. Two years later, he joined Guittard, sharing an office with his father and brother, and focussed on expanding sales of consumer products, such as the home-baking line.

"When our customers are successful, we are successful. We grow with them."

And then in 1989, after his father, 76, and brother, 46, died within six months of each other, his father of amyotrophic lateral sclerosis and his brother of a heart attack, Gary took over the company. The loss was devastating personally, but he says he was ready: "I had a vision; I felt pretty confident. I just focussed on the things that needed to be done and what came next. There wasn't any kind of 'aha' moment or 'Oh God' or 'Oh boy'. There was just the fact and reality that this is the way it is."

The family's business had always been based on doing what it takes to build relationships. When sugar prices quadrupled in the 1970s, Gary went to each of his clients and asked them to renegotiate their contracts. The exercise taught him not only who his friends were but also an important lesson: "Those that renegotiated stayed in business. Most of the ones that didn't don't exist today."

In the 1950s, when See's wanted its chocolate delivered in liquid form, Guittard began sending tankers of melted chocolate directly to the company. This summer, after Guittard missed a delivery date, it took a $11,000 hit to fly 2,000 pounds of chocolate to the Honolulu Cookie Co. Mark Spini, vice president of sales, who's been with Guittard for 31 years, says, "We understand we're dealing with entrepreneurs growing their businesses. We were once like that too."

In the 1970s, a Palo Alto housewife named Debbi stopped by regularly as she experimented with a chocolate chip cookie recipe. Eventually, she launched Mrs Fields Cookies. Around the same time, a friend of Gary's, working at a fledgling coffee roaster in Seattle, called him seeking help to develop mocha for hot chocolate; Starbucks remains a customer today. "When our customers are successful, we are successful," says Clark Guittard, 45, Gary's nephew and director of international sales. "We grow with them." F

PROLOGIS

Space Race

The ecommerce boom has sparked an unlikely real estate revolution: Urban warehouses are now gold mines, and Prologis is sitting on the mother lode

BY SAMANTHA SHARF



Peer out the 56 garage doors lining the walls of the warehouse giant Prologis's new 260,000-square-foot facility in Oakland, California, and you'll spot three highways. To the east there's I-980 slicing through downtown Oakland; southbound I-880 leads to Silicon Valley; go north on I-580 and you'll end up in the heart of Marin County. San Francisco is just 9 miles to the west. A railroad train could steam right up to the building and carry goods all the way to Chicago. But it's those local roads that most interest Hamid Moghadam, Prologis's CEO. "We are focussed on the markets where there are large numbers of people and there's lots of money in their pockets," Moghadam says. "You rob a bank, because that's where the money is. Where do you have consumption? Where people are."

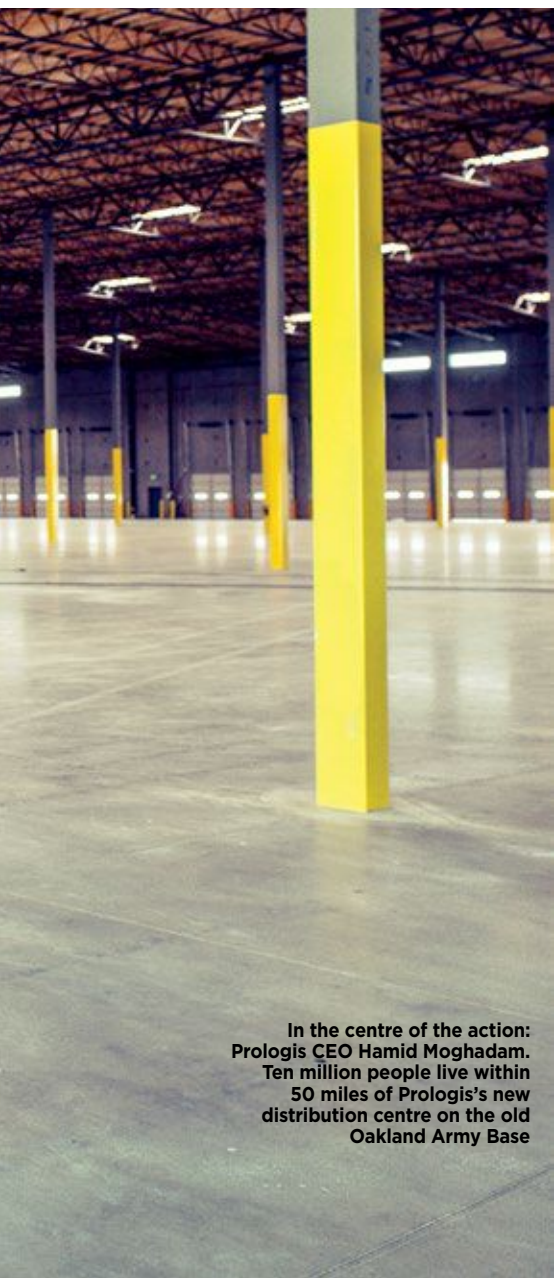
With 687 million square feet of warehouse space in 19 countries, Prologis, which is based in San Francisco, is the world's largest owner of industrial real estate and the king of the proverbial "last mile" between the warehouse and a customer's doorstep. Its closest competitor, Indianapolis-based Duke Realty, has 20 percent of its space. In the US, 60 percent of the population lives within 100 miles of Prologis's 379 million domestic square feet. And it's not ignoring the rest of the world. Seventy percent of Prologis's 45-million-square-foot development pipeline is outside the country, in places were ecommerce is growing at a faster clip.

Because if you believe in ecommerce, you believe in Prologis. While internet shopping has devastated demand for traditional retail spaces, it has had the opposite effect on industrial real estate. Amazon is Prologis's largest tenant, occupying 16 million square feet. (Prologis is also Amazon's largest landlord, accounting for 13 percent

of the warehouse space it operates.) Why? Getting a book to you in less than 48 hours (Amazon Prime's promise) means already having it—and several thousand other items—nearby when you order.

Ecommerce accounts for about 9 percent of total retail sales in the US, a share that has more than doubled since 2010. Prologis, which is structured as a real estate investment trust, is benefiting hugely from that growth. The company's shares are up by 22 percent this year (through October), producing a market capitalisation of $34.8 billion. (Reits broadly are down by 1.5 percent. Prologis's direct competitors DCT Industrial and Duke are up by 21 percent and 7 percent, respectively.) In 2016, Prologis's net income was $1.2 billion, on revenues of $2.5 billion. Earnings have grown at an average of 58 percent annually for three years. In the last quarter, rents on new or renegotiated leases were up by 23 percent year-over-year and occupancy was at 96 percent.

Prologis's ecommerce strategy dates in one way or another to 1998, when Moghadam met the bookstore entrepreneur Louis Borders, who was raising money for the online grocer (and soon-to-be dotcom-bubble poster child) Webvan. Moghadam was then running Prologis's precursor, AMB Property Corp, which invested $5 million in Webvan, built it three warehouses and divested a $1 billion retail portfolio, ploughing the proceeds into more industrial space. That $5 million briefly swelled to $55 million before crashing to nothing. But the loss had a big silver lining: Moghadam's billion-dollar bet on warehouses formed the backbone of Prologis's current portfolio.



In the centre of the action: Prologis CEO Hamid Moghadam. Ten million people live within 50 miles of Prologis's new distribution centre on the old Oakland Army Base

TIMOTHY ARCHIBALD FOR FORBES

Prologis is the king of the proverbial "last mile" between the warehouse and a customer's doorstep

Webvan "opened our eyes to the possibility of ecommerce very early", says the 61-year-old Moghadam, who founded AMB in 1983 after the Iranian Revolution had squashed his plans to return home after studying civil engineering at MIT. Prologis as it exists today was created by the 2011 merger of San Francisco-based AMB and a troubled Denver-based rival.

Today, pure ecommerce customers make up about 10 percent of Prologis's portfolio. But it's where the growth is. Roughly 20 percent of new sales can be traced to these companies and to ecommerce-related demand from DHL, UPS and FedEx.

Ecommerce is just now large enough to move the needle for a giant like Prologis. In addition to pure plays, traditional retailers are investing heavily in online shops. Ecommerce "is driving a much greater volume of demand than you would otherwise see in a 2 percent-GDP-growth world," notes Eric Frankel, an industrial real estate analyst for researcher Green Street Advisors. Meanwhile, population growth and horrid traffic jams in major metro areas like Los Angeles and Seattle are making conveniently located warehouses more important than ever. In the past "you would just look for cheap space; if it was out in the hinterlands you could still get it to market pretty efficiently", observes Dennis Duffy, a commercial real estate consultant at BDO. Now, instead of demanding a few large warehouses near key transportation hubs, retailers want lots of smaller ones near people.

For Prologis's next phase, Moghadam is taking a cue from his tech neighbours, collecting data about what happens in and around its buildings. Sensors will calculate how many times a door can rise and fall before breaking. Drones will inspect roofs for damage. With $1.3 trillion of goods flowing through Prologis facilities every year and more than 800,000 people working under Prologis roofs, Moghadam envisions a database tracking the movement of goods globally, potentially creating an entirely new business.

Technology could also knock Prologis down: If, say, Amazon figures out how to get by with smaller warehouses; if electric, driverless trucks make transportation costs negligible; if 3D printing turns us all into mini-manufacturers. But for now Prologis looks secure on its last-mile throne. F

DIVERGENT 3D

Honey, I Shrunk the Factory

*Using software and 3D printing, **Kevin Czinger** wants to miniaturise the auto plant. It's the opposite of Elon Musk's plans for Tesla and every bit as radical*

BY ALAN OHNSMAN AND JOANN MULLER



Nobody has to remind Kevin Czinger what the Rust Belt was like during the heyday of American manufacturing. The pungent smells, the dark soot spewing from smokestacks and his summer job shovelling coke at a steel plant are all seared into memories of his youth in Cleveland in the 1970s. The northern Ohio city was a symbol of industrial might—until suddenly it all crumbled.

Now the 58-year-old entrepreneur wants to help usher in a new manufacturing era—one that can withstand the forces that decimated his hometown along with vast swaths of the United States. You can get a glimpse of this new era at a miniature auto factory, about the size of a large grocery store, tucked inside a concrete-and-glass office park in suburban Los Angeles. Beyond darkened glass doors, parked in the gallery-like lobby of the headquarters of Divergent 3D, his five-year-old startup, is the Dagger, a sporty looking motorcycle. Nearby sits the Blade, a sleek silver sports car that calls to mind vehicles in the sci-fi film *Minority Report*. Czinger built both with a patented approach to manufacturing that relies heavily on new digital technologies like 3D metal printing. They're less expensive than traditional manufacturing methods and better for the environment, and they could prove as disruptive to the transportation industry as electric vehicles (EVs) and self-driving cars.

The Blade and Dagger are prototypes, but Czinger has teamed up with France's Groupe PSA, which makes Peugeot and Citroën vehicles, to work on a number of development projects over the next few years. And his mini-factory will be making batches of other test vehicles—van-like shuttles—for customers Czinger won't yet name. Investors like Hong Kong billionaire Li Ka-shing's Horizon Ventures and Altran Technologies, a French high-tech engineering consultancy that works in the automotive sector, along with Czinger himself and others, have poured $28 million into the company. A new investment round targeting up to $100 million is expected to close soon.

"Traditional auto manufacturing is fundamentally broken from an economic and environmental standpoint," Czinger says. "You can't scale factories up and down to meet changes in the market."

Cars made by Divergent 3D's tech will be lighter and also require less fuel

Divergent 3D, he says, points the way to a better future for how industrial goods are made. In place of Detroit's megafactories—or Elon Musk's Gigafactories—21st-century manufacturing will be ruled, Czinger believes, by networks of small-scale urban factories like his. They'll be able to deliver low-cost, low-carbon vehicles in small and highly customisable batches. And



Divergent 3D CEO Kevin Czinger is betting on a radical transformation of the manufacturing sector that will change how industrial goods are made

ETHAN PINES FOR FORBES

they could help bring jobs back to communities that have lost them.

A typical car factory costs between $500 million and $1 billion to build, and the tooling and machinery are amortised over many years, which is why they need to produce hundreds of thousands of vehicles per year to be profitable. Divergent 3D promises it can build a production line for 20,000 or more cars a year in a warehouse-type space, complete with large-scale 3D metal printers, laser cutters and assembly robots, for just over $50 million. Because of lower capital and production costs, vehicles would be up to $6,700 cheaper to build, on average, Czinger says.

Czinger is hardly alone in betting on industrial-scale 3D printing. Until now, 3D printing has been used mostly to make prototypes. But the technology is changing fast, with ever bigger machines now able to "grow" larger parts from a variety of advanced materials, including metal powder.

Sales of advanced 3D printers, which are being used to make engines for SpaceX rockets and giant wind turbines for GE, are soaring. Ford Motor may not 3D print F-150s any time soon, but it is using the technology to make factory equipment. HP predicts the technology will usher in a "distributed manufacturing" future in which

companies build what they need, when they need it and where they need it, says Tim Weber, an executive at the company's 3D printing unit. "Imagine you are on a marketplace like Amazon," Weber says. "You order a car. Maybe it was designed in Lithuania, but it's built in your hometown and delivered a few days later. That's the direction it's going—maybe not immediately, but the fourth industrial revolution is exactly that." Costa Samaras, an assistant professor of civil and environmental engineering at Carnegie Mellon University, says industrial 3D printing "will disrupt a lot of existing supply chains".

Czinger's version of that disruption relies on using complex 3D-printed metal joints as the "connective tissue" that attaches to the carbon-fibre structure, or "bones", of a car's chassis using a high-strength adhesive, rather than being welded. The result is a strong, lightweight underbody that costs a fraction of the one built using traditional stamping methods. In lieu of a paint job, cars get coloured vinyl wraps that are durable and scratch-resistant. Because cars made this way will be lighter, they will also require less fuel.

Groupe PSA embraced Divergent 3D in order to accelerate its manufacturing efficiency, part of a broader turnaround effort under chairman Carlos Tavares. In a six-month study for PSA in 2016, engineers determined that using Divergent 3D's tech to develop a popular SUV would have had a dramatic upside: Development time would be reduced by a year, vehicle weight would be trimmed in half, 75 percent fewer parts would be required, and there would be more flexibility to make changes on the fly. "This has the potential to dramatically scale down the size and scope of our manufacturing footprint, reduce overall vehicle weight and build complexity, while also giving us almost limitless flexibility in design output," Tavares said after signing the deal with Czinger last year. "We are talking about a radical change for our industry."



The prototype Dagger was built using Divergent 3D's patented 3D printing techniques

ETHAN PINES FOR FORBES

In all, Divergent 3D has development deals with about "half a dozen" companies, Czinger says. If Alphabet's Waymo or Apple one day opts to build its own autonomous vehicles, the Divergent 3D system could make that happen, he says. "My focus is to do this globally," Czinger adds.

As industrial disruptors go, Czinger is a curious candidate with an eclectic background. His football talents helped get him to Yale, where he was named Ivy League Player of the Year in 1980. After earning undergraduate and law degrees there, he worked as a federal prosecutor in the late 1980s (under US attorney Rudy Giuliani) and as a Goldman Sachs banker in the early 1990s. He later had stints at Webvan, where he was chief financial officer, and at another investment firm.

Divergent 3D isn't Czinger's first attempt at auto industry disruption. In 2008 he co-founded Coda Automotive, which hoped to kick-start electric-vehicle sales with a ho-hum Chinese-made sedan. Timing wasn't on his side.

Just as Coda was ramping up deliveries, Tesla released the elegant Model S that redefined the EV market.

Coda flopped, but Czinger's odds with Divergent 3D may be better. He's not trying to compete head-to-head with Tesla or anyone else by making cars. Instead, his business model relies on licensing Divergent 3D's technology to manufacturers. His timing could be right this time. As pressure for sustainability increases and private car ownership gives way to transportation as a service, especially in crowded cities, 3D printing offers an efficient way for automakers to locally produce clean, inexpensive cars for shared urban fleets.

"We can do it at the right economics with much greater flexibility," Czinger says. A car for Los Angeles may look very different from a car for Paris or Shanghai. "This is what it comes down to," Czinger says. "The resilience of the environment, the resilience of the economy depends on diversity."

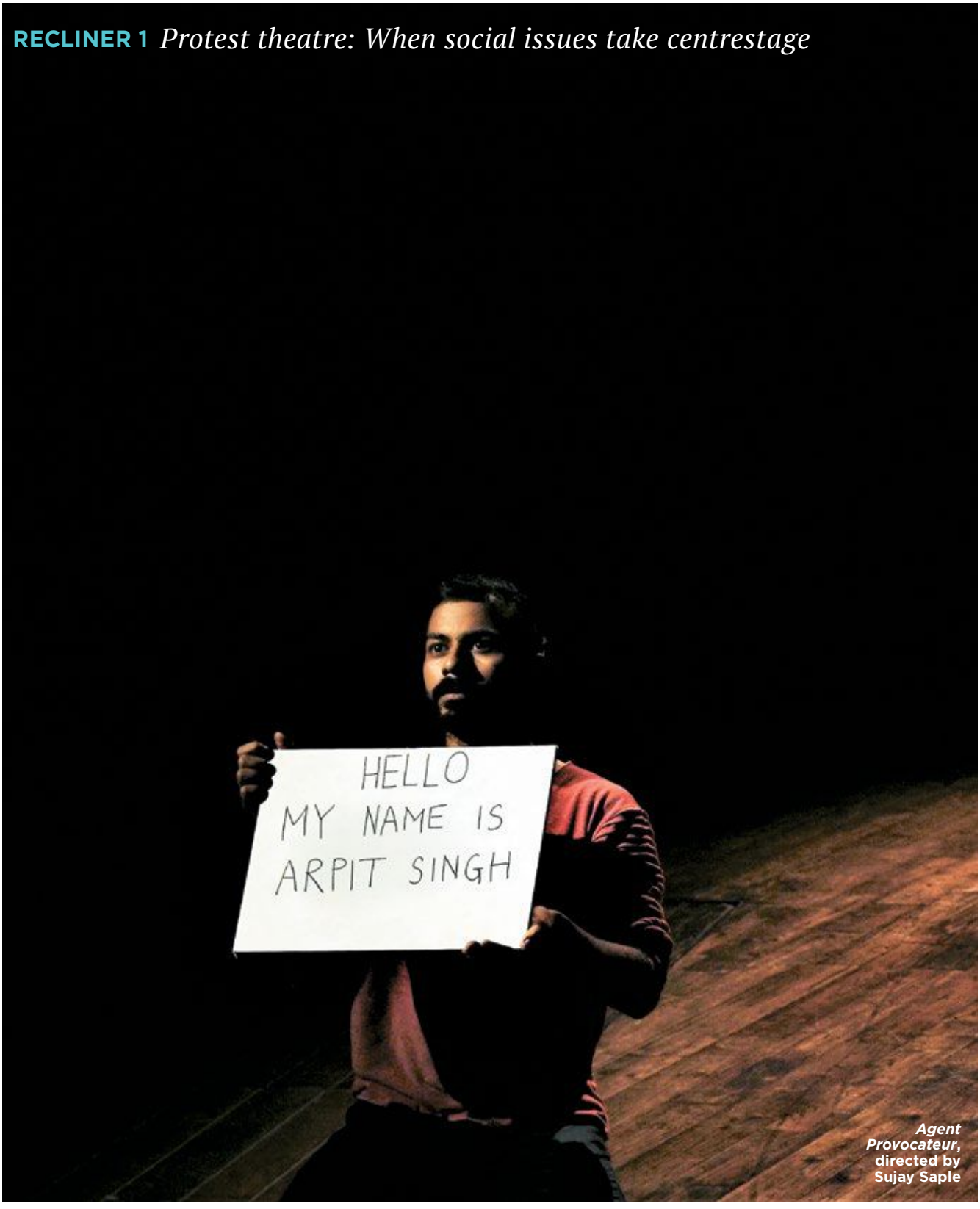
Forbes INDIA

Recliner

RECLINER2
Gifts to choose from this holiday season **P/82**

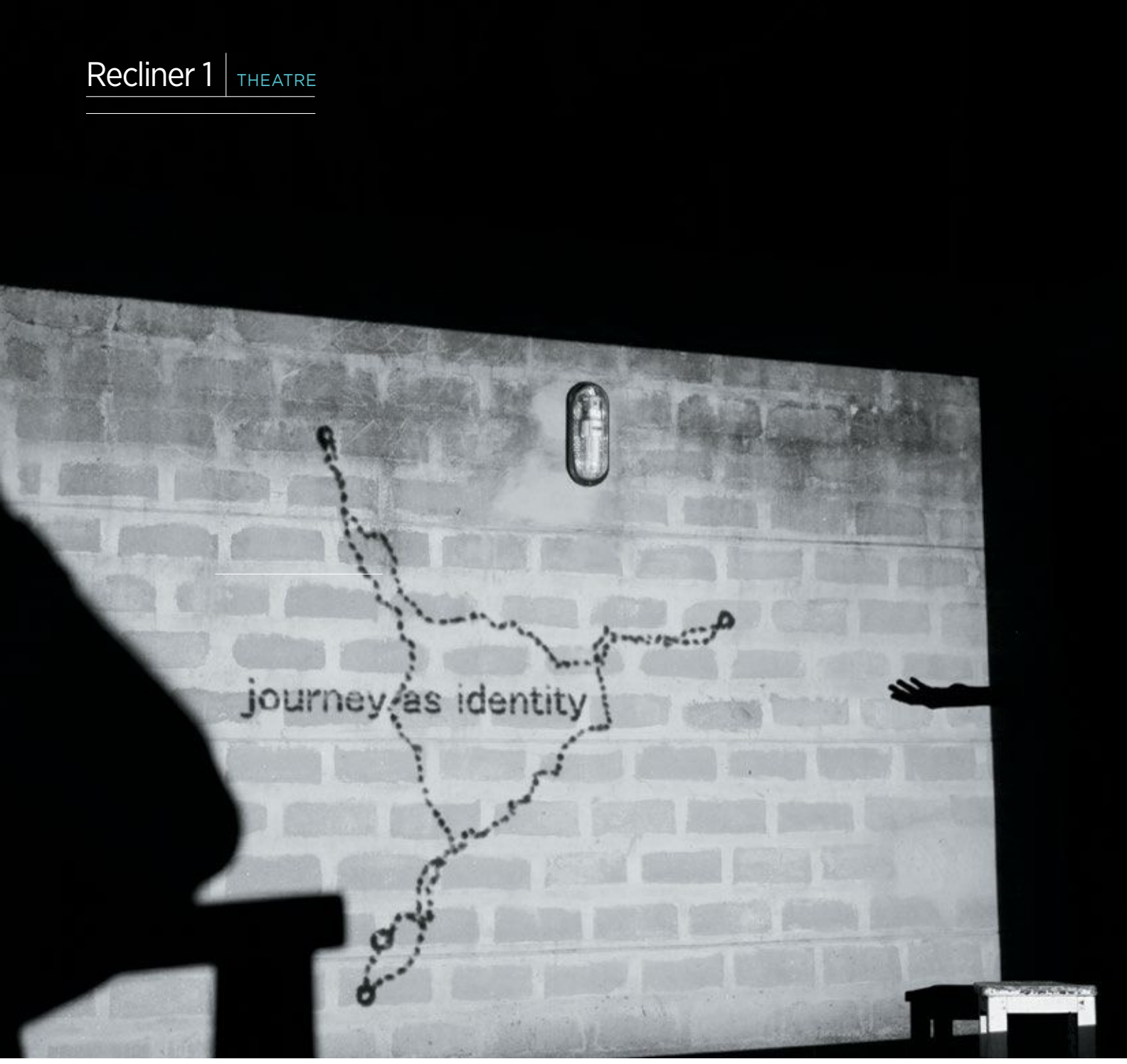
APPRAISAL
Street Scrambler: Retro-cool with fun **P/87**

RECLINER 1 *Protest theatre: When social issues take centrestage*



***Agent Provocateur*, directed by Sujay Saple**

COURTESY: AGENT PROVOCATEUR



THE DRAMA OF DISCONTENT

The creative expressions of protest theatre take on many forms, but remain true to their fundamental premise of raising a voice

BY VIKRAM PHUKAN



The troupe members of UR/Unreserved travel across the country to bring forth issues that affect the hinterland

Protest theatre has existed for ages, in myriad forms, seeking to overcome social ills and bring about change through performance. The protest theatre of the 1940s, for instance, played an important role in India's struggle for independence. It is always interesting to observe how each new zeitgeist heralds its own cycle of protest theatre, with old methods of resistance and agitation giving way to new forms of engagement, even as traces of historic struggles linger in each wave of politically-charged creative expression.

This year, on Gandhi Jayanti, under a banyan tree in Bengaluru's historic Cubbon Park, a green expanse of 300 acres that is often dubbed the "lungs" of the city, a unique theatre initiative was flagged off for an epic pan-Indian journey. In the wee hours of the following day, 14 troupers boarded the New Tinsukia-Bengaluru Weekly Express to begin the first leg of UR/Unreserved, a collaboration between locally based Maraa Collective, a media and arts organisation, and 44-year-old project director Anish Victor. "We will be ready to work as soon as the people start waking up," said Anish purposefully, as his team embarked on an expedition that would take them along hand-picked arteries of the Indian Railways, India's veritable nervous system.

Eight members of his team, or the performer-facilitators, would try to map out notions of identity, both personal and communal, by interacting with passengers and train personnel on a 'performative' journey with clearly defined rules of engagement. They would be accompanied by assorted crew members, a visual artiste and Anish himself. The circuitous route would take them to locations as far-flung as Dhemaji in Assam, Srinagar in Jammu & Kashmir, and Irinjalakuda in Kerala, all nodal points near the country's extremities, identified as venues for 'Platform 1' events. These events—performance pieces, songs, installations or films—would be a sharing of findings from each concluded leg of the train journey.

> *"The images and stories of women and kids fleeing in thousands on trains was the starting point."*

Theatre practitioners, ensconced in their echo chambers, are often alienated from the issues that beset the great amorphous hinterland. UR/Unreserved's desire to reach out to a large and diverse cross-section of people—an estimated 10,000 people in 30 days—and return with a patchwork quilt of identity and belonging almost smacks of naïve idealism, but there are deep reserves of conviction that fuels it. An excerpt from the project's press release indicates the kind of stories that inspire it: Referring to the 2012 exodus of North-Easterners from Bengaluru, it says, "The images and stories of women, children and men fleeing in thousands on trains, with their hurriedly gathered belongings, was the starting point for the idea of UR/Unreserved".

The geographic span of the project was dictated by the access afforded by Anish's connections, as well as those of Maraa and local collaborators. For instance, in Assam, Dhemaji-based Macbeth Drama, one of the few groups in the country working to preserve indigenous culture, had hosted Anish's solo performance, *Koogu*, at their festival Under The Sal Tree in 2014; they were happy to come on board. As was Kashmir's Help Foundation, which has worked with victims of conflict for almost two decades and view theatre as a means for catharsis. "There are no public spaces in Srinagar. The military has occupied most of it," says its director, Nighat Shafi, and hopes that UR/Unreserved would help create much-needed spaces for expression and dialogue.

In a later phase, yet undecided, the project will tour with a travelling exhibition to different public spaces. According to the organisers of UR/Unreserved, "These will be publications, short films, podcasts, sketches, maps, photographs curated to strengthen and deepen our engagement with students, artistes and the general public."

COURTESY: UR UNRESERVED

In September, Anish first assembled his team in the town of Thiruvalla in Kerala. Prospective candidates considered to be most grounded in the regions to which they would travel were selected, with an emphasis on creating a diverse group with shared passions. There are four pairs of performer-facilitators, one each from Karnataka, Assam, Jammu & Kashmir and Kerala. Building a cohesive unit keeping in mind their disparate sensibilities and cultural backgrounds was the first challenge thrown Anish's way. He was clear that he did not want to dictate affairs, but, instead, draw out the ensemble's ideas and experiences to shape the project's modus operandi on the trains. "In an exercise that is about solidarity more than anything else, foregrounding one person's vision doesn't make sense, because we are talking about identities that keep shifting from person to person," he said.

Initially they had thought of moving from coach to coach, using games, pop-up acts and songs to foster a playful and congenial space where conversations could thrive, even in settings as shape-shifting as train compartments. But they later decided that it would be much more conducive for the team to fan out across the train, in twos or threes, as 'invisible' actors gathering insights and encounters.

Anish's exercises with his actors involved intensive self-reflection. "We looked at biases and stereotypes within ourselves. We are so conditioned to the outside, we often fail to see what is going on inside," he said. This led to the strands that each performer-facilitator wanted to pursue on the trains. For instance, Goutham Sahadevan, the youngest performer from Thrissur, would observe the changing identities of places—trains, platforms, the geographies they rumble past. Mouchumi Borpatra Gohain, from Assam, was interested in identity and gender. Another performer-facilitator would look at workers







***Agent Provocateur*, a dance theatre performance directed by Sujay Saple, uses the body as a site for resistance against the recent lynchings in the country**

COURTESY: AGENT PROVOCATEUR

on the train—attendants, vendors, pantry staff, the omniscient TTEs—while a fourth would analyse how technology is linked to identity.

Although this approach also had the unintended outcome of breaking down the railway ecosystem into neat categories, the performers were not interested in creating a representation of the populace they would encounter, but observing how they themselves were affected by the interactions. Depending on the region they were travelling in, performers with relevant language abilities would spearhead the initiative.

For the facilitators, changing the modus operandi from being a travelling performance to an undercover investigation with a far-reaching scope certainly required a leap of faith. As each pair trawled the train, they would seek spontaneous entry points into existing conversations between passengers and veer the talk towards their own thematic preoccupations. The material would later be collated and transcribed.

On the first train journey itself the team faced several challenges: Plugging into conversations around the chosen themes proved difficult at times; they couldn't enter the unreserved compartments and sleeper coaches because of the teeming crowds; and pantry folk and vendors were too busy to interact.

Yet, there was fertile ground for conversations, like among the people huddled around compartment doors hoping to share seats. Being artistes allowed Anish's team a kind of incipient privilege, the novelty of their profession piquing the interest of fellow travellers. "We spoke to all kinds of people. What was surprising was that people were generally quite open to share testimonies," says Anish. "The biggest challenge was figuring out how to put it all together. At Dhemaji, we tried to consolidate the journey's learnings with writings, testimonials and art, but much work still remains to be done."

One of the encounters on the train was with a man from Siliguri. "He shared deeply personal issues. He had lived in different cities for work. His body was covered with









Artistes Sofia Ashraf (left and top left), Fathima Nizaruddin (top right) and Mohammad Muneem Nazir (above) performing at the Godrej India Culture Lab

scars that were like a map on his skin. He could remember places through his injuries, which were mostly occupation-related. He had worked as a security guard, as a metro personnel, whatever he could plug into. His nails were raw and bruised from labour. He was happy to make the journey home because it meant he could finally rest," says Anish.

This tapestry of lived experiences indelibly imprinted on a person's body finds echoes in a set-piece from a dance theatre performance called *Agent Provocateur*, directed by Sujay Saple, in which the body as a site for resistance finds expression. (Disclaimer: This writer of this article was the project's co-dramaturg.) The play opened in Pune this September before runs in Mumbai and Bengaluru.

The scene in question features performer Surbhi Dhyani as a seemingly docile woman in pristine white, dicing beetroot on a cutting board, even as she smears herself with mashed pulp of the beetroot. A man (Arpit Singh), possibly her lover, sneaks in from behind, carrying a sheet of bindis. He then proceeds to stick bindis on various parts of her body as she reels off names of towns and hamlets—Srinagar, Kuruskshetra, Ballabgarh, Muzaffarnagar—each associated with personal memories that become even more insistent when the exercise is repeated again and again. It is soon clear that the bindis on her body represents a map of recent lynchings in India. The beetroot in her hands could well have been beef. Dhyani then launches into a frenetic dance of fury and defiance. It is a visual motif that speaks for itself.

Even within Anish's project, the politics of meat became a flashpoint. In Dhemaji, where pork is almost a staple, the Kashmiri collaborators wouldn't partake in the sharing of bread. "There was tension within the group. We realised that some things are so deeply entrenched and so sensitive that divisions can very suddenly become palpable," says Anish. "It is so easy to say we must live and let live. But I actually don't know what tolerance means sometimes. Why should anyone tolerate anything?"

Saple's work takes on similar conflicts, albeit in different contexts. It is an activism he is still grappling with because his earlier works have all been calculatedly apolitical. "If you work out of a place that is going through conflict, are you expected to address it through your work?" he said in an interview to *The Hindu*. So, while Anish and his cohorts' reaction to these perturbations of the soul have brought about a prodigious grassroots excursion, other theatre practitioners in cities are participating in the mainstreaming of protest in their own ways, mindful of their own detachment from the issues they feel compelled to take on.

For instance, in a scene from *Agent Provocateur*, Dhyani emerges from the wings outfitted completely in saffron—hipster rags, an orange wig, even lipstick to match. She sings into a mic, as if in a karaoke bar, the song being John Lennon's 'Across the Universe', with altered lyrics by co-dramaturg Rachel D'Souza. It is an anthem of pitiable apathy, even as it seemingly plugs into a protest culture that is more about being trendy than about the integrity of an authentic social consciousness. It was Saple's way of training a mirror on his own contradictions, and that of others of his ilk.

For various reasons, however, this scene extracted the most complaints from viewers, prompting Saple to excise it entirely from his narrative. Some complainants saw it as reductive and jarring because it undermined *Agent Provocateur*'s larger message of a call to revolution, which is likely to be infinitely more gratifying.

Theatre-maker Neha Singh thought otherwise. "For me, the image of this confident girl singing this ridiculous song is a symbol of how we are today," she says. Singh recreated the scene at rehearsals for her upcoming play, *Jhalkari*, which seeks to restore an icon for the dispossessed who have been erased

COURTESY: GODREJ CULTURE LAB



Sunil Shanbag's *Words Have Been Uttered* is a sharing of staged writings around the ideas of dissent, presented as a universal ideal

COURTESY: WORDS HAVE BEEN UTTERED

from history. The play's eponymous character was the Dalit chieftain in Rani Laxmi Bai's women-only battalion, who also stood in as the queen's battle-charging decoy.

Among recent works that have joined forces with these murmurings of demurral is Sunil Shanbag's *Words Have Been Uttered*, a sharing of staged writings around the idea of dissent, cutting across cultures and geographies, to present it as a universal ideal. Shanbag prefaces the performance with a short spiel, "At this point in our history it's really important to understand the need for something like dissent, the role it plays, and the issues associated with it." The scope of the production includes everything from lesbian writing to Bhakti poems, from Bob Dylan ballads to *nazm*s by Habib Jalil, from Palestinian poems to Rohith Vemula's last letter. The title is taken from a poem by the destitute Dalit poet, Lal Singh Dil, dubbed 'The Poet of the Revolution' for the Maoist movement in Punjab.

A no-frills presentation by Shanbag allows us to contemplate the words as stark and socially meaningful. Even an episode from a classic text like GP Deshpande's *Uddhwasta Dharamsala*, translated by Shanta Gokhale, seems likes a page from a contemporary treatise, as a Leftist professor (Jaimini Pathak) is called before a hastily convened college tribunal and adjudicated on his political affiliations. The threat to progressive values so palpable in the 1970s, when the play was written, remains as topical to this day. Similarly, Gokhale's new play, *Menghaobi—The Fair One*, provides a wistful take on Irom Sharmila, remaining steadfastly at the side of the erstwhile icon of public resistance even after her so-called abdication of the struggle against the Armed Forces (Special Powers) Act.

Earlier this year, at the International Theatre Festival of Kerala, the brutalisation of Dalits was brought out for public airing by a raw and powerful street theatre piece. Directed by activist Ramachandran Mokeri, the production was titled *I am Rohith Vemula*. At the outset, the cadaver of a polystyrene calf was butchered, and its bloodied entrails distributed to onlookers like an offering. Clad like a vintage-era rock star, Mokeri strummed his guitar as he led a procession through Thrissur's busy streets, quoting from Vemula's last letter in a guttural voice relayed via loudspeakers. Accompanying him were actors, in various stages of undress, branded with black markings. Their keen dark eyes glinted with deprivation, and their lips were a trembling red. Some were dragged across the road, others were lashed. The two-hour procession certainly registered with onlookers as a powerful reminder of atrocities that otherwise no longer shock. The people on the streets clapped and cheered and raised slogans, mirth mingled with awe at the theatrics, but perhaps they also took home some of the pain and the agony.

The seeds of discontent have seen the emergence of marginalised voices and the showcasing of their expression on mainstream podiums. For instance, the Godrej Culture Lab in Mumbai has recently hosted protest organisations like the Kabir Kala Manch and Yalgaar, Dalit rock bands like Dhamma Rocks, and folk artistes like Sambhaji Bhagat, in day-long seminars that included discussions and performances in which the collisions of worlds was papered over by open-hearted exchanges.

Relaa, a collective of such activists and groups from several states, started functioning a couple of years ago and hosts an annual jamboree, which has taken place in Delhi and Mumbai. They are part of a burgeoning people's movement seeking to target mainstream audiences and the youth. The groups harness folk forms, interspersed with songs and commentary, and work with working class/lower middle-class populations in different states. At the Culture Lab event, Yalgaar, a group of men in their twenties, presented excerpts from their repertoire, where their founder, Dhamma Rakshit, said, "We are cultural warriors striving for human liberation. Our weapons are the words bequeathed to us by Tukaram. We want to keep the diversity in our world alive, but any kind of discrimination must stop." F



Forbes INDIA
GET INFLUENCE.
GET RICH. GET EVEN.

To subscribe SMS **FORBES** to **51818**

2017
HOLIDAY
Gift
GUIDE

It's That Time of Year



Emerald-cut sapphire earrings with diamonds by **Harry Winston** (price upon request)



Une Journée à Paris bracelet in 18k white and yellow gold with white and yellow diamonds by **Van Cleef & Arpels** (price upon request)



Pavé Dome ruby earrings set in blackened 18k gold and detachable drops with Tahitian cultured pearls by **Mish New York** ($72,000)



Lady Stardust large bracelet in 18k white gold with rubies by **Stephen Webster** ($27,500)



Haute Couture ring in 18k white gold with sapphires by **Roberto Coin** ($90,000)



Platinum Bracelet with chrysoprase and mixed-cut diamonds by **Tiffany** ($280,000)



High jewellery collection earrings with pink sapphires and amethysts set in 18k white gold by **Chopard** (price upon request)



Ruby and diamond necklace by **Nirav Modi** (price upon request)

SET DESIGN: TERRY LEWIS; STYLE EDITOR: BARRY SAMAHA

ROMANCING THE STONES

Whether it's a birthstone or simply a signature hue, coloured jewellery always makes a statement, firing up any wardrobe. And when paired with white diamonds, the warmth of precious gems—sapphires, rubies, amethysts—provides balance to the cool ice. Vibrant coloured jewels have also been rock stars at auctions lately, meaning today's glittering gift could be tomorrow's brilliant investment.

Overleaf (clockwise from top): Limelight Gala watch in 18k white gold with diamonds by **Piaget** ($33,300); Panthère de Cartier watch by **Cartier** in 18k white gold with diamonds ($25,200); Slim d'Hermès watch by **Hermès** in stainless steel with diamonds ($7,225); LVCEA watch with diamonds by **Bulgari** (price upon request); Classic Fusion Titanium Full Pavé watch by **Hublot** ($36,600); East West watch in stainless steel with diamonds by **Tiffany** ($6,900); Royal Oak Quartz watch in stainless steel with diamonds by **Audemars Piguet** ($15,300)

Photographs by David Arky for Forbes



SET DESIGN: TERRY LEWIS; SPIRITS EDITOR: KARLA ALINDAHAO

FINISHING SCHOOL

With whiskies—as in business—it's not how you start, it's how you finish. Three decades ago, Scottish distilleries began experimenting with maturing whisky in a second cask that once held wine or port or sherry. The result was a richer, more complex spirit with new flavours that complemented the whisky that had already been ageing in its original cask. Today the practice is common with Irish, American and even Taiwanese whiskies. And given that there are always new casks to experiment with, there's seemingly no end to all these finishes. Here's how to get started...

THE XO FACTOR



Left to right: Hennessy XO Limited Edition by Marc Newson ($200); Rémy Martin XO ($150); D'USSÉ XO ($230); Courvoisier XO ($150); Martell XO ($180)

For a complex French spirit, cognac comes in grades with simple English names. Moving up the ladder, there's VS (or Very Special, with eaux-de-vie aged for a minimum of two years), VSOP (Very Superior Old Pale, aged for at least four years) and then there's XO, which stands for Extra Old. Traditionally, the youngest brandy in an XO had to be at least six years old, but starting in April 2018, the minimum will be ten years. Think of it as Extra Extra Old.



THE RISE OF RYES

Bourbon may get all the glory, but its cocktail cousin rye has also been enjoying quite a boom. Sales of rye whiskey in the United States have increased 900 percent in the past eight years—or $160 million. Credit George Washington himself for the American renaissance—the founding father (and the cause of the Whiskey Rebellion) made his own rye at Mount Vernon, and his original distillery reopened there in 2007. As for the taste, rye is bolder and spicier than bourbon—which is made from at least 51 percent corn, hence the sweetness. So if you like a cocktail dry, go with rye.

Front row: Hochstadter's Family Reserve ($200); Redemption 18-Year-Old Rye, the Ancients Collection ($450); Lock Stock & Barrel 18-Year Straight Rye ($230); Ragtime Rye ($44). Back row: Whistle Pig The Boss Hog, The Black Prince IVth edition ($499); Michter's US*1 Toasted Barrel Finish Rye ($75); Old Potrero Single Malt Straight Rye Whiskey ($70)

2017 HOLIDAY *Gift* GUIDE

FLOWER POWER

Floral fragrances are in full bloom this fall with some bold new perfumes. Among the high notes are tuberose, Arabian jasmine and orange blossom in scents that are meant for day but, like a hothouse, sultry enough for night. One thing is certain: These are not for wallflowers.

Left to right: Wildly Attractive Eau de Parfum by **Diana Vreeland** Parfums, ($250); **Jason Wu** Eau de Parfum ($145); Twilly d'Hermès Eau de Parfum by **Hermès** ($130); Gabrielle Eau de Parfum by **Chanel** ($135); Woman by **Ralph Lauren** Eau de Parfum ($110); **Gucci Bloom** Eau de Parfum ($124); AERIN Tuberose Le Jour Parfum by **AERIN** ($215)



SET DESIGN: TERRY LEWIS; STYLE EDITOR: BARRY SAMAHA

Motorcycle: *Triumph Street Scrambler*

BY ABHAY VERMA



The newest addition to the Bonneville family of retro-classics is the Street Scrambler. Scramblers, as a sub-set of motorcycles, were always meant to be fun to ride, offering a good mix of on-road and off-road abilities.

The Street Scrambler looks simple, with its round headlamp and classic round mirrors. In fact, most of the design elements, including the fuel tank, are the same as the Street Twin. The clocks are the same too: A single pod unit that looks good and is very well-finished. What sets it apart is the taller suspension and on/off-road Metzeler Tourance tyres.

The star of the Street Scrambler's show, though, is its side-mounted high exhaust. The minimalistic design approach, with no body panels at all, except for the small front mudguard, looks nice. In terms of design, the Street Scrambler means business.

It means business in terms of the powertrain too. The bike comes with the same 900 cc, liquid-cooled, 8-valve SOHC motor as the Street Twin and the T100, with identical outputs of 55 PS and 78.84 Nm, all of which is on offer from just 3,050 rpm, which is very impressive. The engine feels peppy from the word go and comes with a five-speed gearbox. And with lots of torque at low revs you don't need to keep working the gearbox to make rapid progress.



TECH SPECS

Type	900 cc parallel-twin
Max power	55 PS @ 6,000 rpm
Max torque	78.84 Nm @ 3,050 rpm
LxWxH (mm)	NAx831x1.120
Dry weight	206 kg
Price	₹8.10 lakh ex-India

Given its dry weight of 206 kg, the Street Scrambler is heavy, but the strong punch from the engine doesn't really let it down.

Another highlight is the engine's refinement and the exhaust note. It sounds typical of classic British motorcycles, and while not very loud, decibel levels are enough to get you attention on the road.

The bike comes with a basic electronic setup, including switchable traction control and ABS, and scrolling through menus displayed by a tiny screen below the speedometer is a simple affair. The tiny display also integrates a Harley-Davidson style digital rev counter.

The Street Scrambler handles well, and the front end is very communicative, but it simply feels too heavy to allow quick direction changes in traffic. That aside, the bike is a very confident handler, courtesy the firm suspension setup, aided by lots of grip from the Metzelers.

The firm suspension, however, comes at the expense of ride quality. The rear is stiffer than the front end, which unsettles the bike over bumps.

On the whole, the Triumph Street Scrambler comes across as a likeable motorcycle.

Just like the Street Twin, this too is designed to appeal to young enthusiasts looking for a motorcycle that blends retro-cool with modern while being fun to ride.

COURTESY: OVERDRIVE

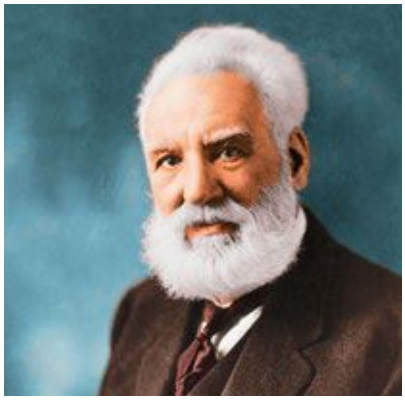
Thoughts

ON PHONES



The only still centre of my life is *Macbeth*. To go back to doing this bloody, crazed, insane mass-murderer is a huge relief after trying to get my cellphone replaced.

—PATRICK STEWART

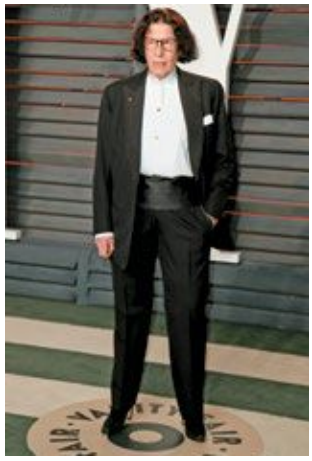


Mr Watson—Come here —I want to see you. (First intelligible words spoken over the telephone.)

—ALEXANDER GRAHAM BELL

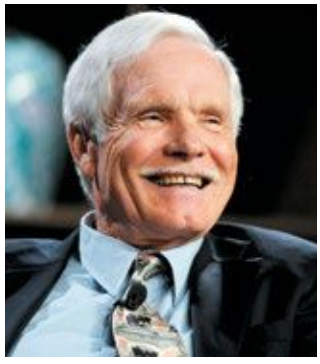
The telephone is a good way to talk to people without having to offer them a drink.

—FRAN LEBOWITZ



To be happy in this world, first you need a cellphone and then you need an airplane. Then you're truly wireless.

—TED TURNER



Middle age is when you're sitting at home on a Saturday night and the telephone rings and you hope it isn't for you.

—OGDEN NASH



You'd be surprised how difficult it is to relinquish a cellphone.

—ADRIEN BRODY

The telephone is the greatest nuisance among conveniences, the greatest convenience among nuisances.

—ROBERT STAUGHTON LYND

Apparently we love our cellphones, but we hate everyone else's.

—JOE BOB BRIGGS



One of the most powerful scientific tools ever invented is the telephone.

—JOHN C MATHER

STEWART: AXEL SCHMIDT / REUTERS; BRODY: REGIS DUVIGNAU / REUTERS; BELL: STOCK MONTAGE / GETTY IMAGES; LEBOWITZ: DANNY MOLOSHOK/ REUTERS; MATHER: KEVIN LAMARQUE / REUTERS; TURNER: PHIL MCCARTEN / REUTERS

Hope you loved our

Forbes INDIA

Tablet Edition

Do mail us your feedback at:
letterstoforbesindia@nw18.com